

104TH CONGRESS
1ST SESSION

S. 856

To amend the National Foundation on the Arts and the Humanities Act of 1965, the Museum Services Act, and the Acts and Artifacts Indemnity Act to improve and extend the Acts, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 25 (legislative day, MAY 15), 1995

Mr. JEFFORDS (for himself, Mrs. KASSEBAUM, Mr. KENNEDY, Mr. PELL, Mr. SIMPSON, and Mr. DODD) introduced the following bill; which was read twice and referred to the Committee on Labor and Human Resources

A BILL

To amend the National Foundation on the Arts and the Humanities Act of 1965, the Museum Services Act, and the Acts and Artifacts Indemnity Act to improve and extend the Acts, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Arts, Humanities, and
5 Museums Amendments of 1995”.

1 **TITLE I—NATIONAL FOUNDA-**
 2 **TION ON THE ARTS AND THE**
 3 **HUMANITIES ACT OF 1965**

4 **SEC. 101. NATIONAL FOUNDATION ON THE ARTS AND THE**
 5 **HUMANITIES.**

6 The National Foundation on the Arts and the Hu-
 7 manities Act of 1965 (20 U.S.C. 951 et seq.) is amended
 8 to read as follows:

9 **“SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

10 “(a) SHORT TITLE.—This Act may be cited as the
 11 ‘National Foundation on the Arts and the Humanities Act
 12 of 1965’.

13 “(b) TABLE OF CONTENTS.—The table of contents
 14 is as follows:

“Sec. 1. Short title; table of contents.

“Sec. 2. Purposes.

“Sec. 3. Definitions.

“TITLE I—NATIONAL FOUNDATION ON THE ARTS AND THE
 HUMANITIES

“Sec. 101. Establishment of the National Foundation on the Arts and the
 Humanities.

“Sec. 102. General limitations on grants.

“Sec. 103. Joint administration.

“Sec. 104. Authorization of appropriations.

“TITLE II—NATIONAL ENDOWMENT FOR THE ARTS

“Sec. 201. Definitions.

“Sec. 202. Establishment of the National Endowment for the Arts.

“Sec. 203. Application procedures.

“Sec. 204. Advisory panels.

“Sec. 205. National Council on the Arts.

“Sec. 206. Limitations on grants.

“Sec. 207. Administrative provisions.

“Sec. 208. Reports.

“Sec. 209. Sanctions and payments.

“Sec. 210. Awards.

“TITLE III—NATIONAL ENDOWMENT FOR THE HUMANITIES

“Sec. 301. Definitions.

“Sec. 302. Establishment of the National Endowment for the Humanities.

“Sec. 303. Application procedures.

“Sec. 304. Review panels.

“Sec. 305. National Council on the Humanities.

“Sec. 306. Limitations on grants.

“Sec. 307. Administrative provisions.

“Sec. 308. Reports.

“Sec. 309. Sanctions and payments.

“Sec. 310. Awards.

1 **“SEC. 2. PURPOSES.**

2 “The purposes of this Act are—

3 “(1)(A) to ensure that the arts and the human-
4 ities belong to all the people of the United States;
5 and

6 “(B) to support the arts and the humanities
7 that are essential to social, cultural, and economic
8 progress;

9 “(2) to encourage and support national
10 progress and scholarship in the arts and the human-
11 ities, because such encouragement and support,
12 while primarily matters for private and local initia-
13 tive, are also appropriate matters of concern for the
14 Federal Government;

15 “(3) to ensure that the United States, as an ad-
16 vanced civilization, does not limit its efforts to
17 science and technology alone but gives full value and
18 support to the other great branches of scholarly and
19 cultural activity in order to achieve a better under-

1 standing of the past, a better analysis of the
2 present, and a better view of the future;

3 “(4) to further the advancement of the arts and
4 the humanities and the access of all citizens of the
5 United States to the arts and the humanities, in
6 partnership with local, State, regional, and private
7 agencies, organizations, and individuals;

8 “(5) in furthering the advancement and access
9 described in paragraph (4), to be sensitive to the na-
10 ture of public support and the need to use public
11 funding in a manner that recognizes the responsibil-
12 ity of the Federal Government to the public good;

13 “(6) to ensure that public funds provided by the
14 Federal Government ultimately serve the public pur-
15 poses the Congress defines and are subject to the
16 conditions that traditionally govern the use of public
17 money;

18 “(7) to ensure that—

19 “(A) Federal support of the arts and the
20 humanities reflects the high place accorded by
21 the people of the United States to the Nation’s
22 rich cultural heritage; and

23 “(B) public funding of the arts and the hu-
24 manities contributes to public support for and
25 confidence in the use of taxpayer funds;

1 “(8)(A) to support the practice of art and the
2 study of the humanities, which require constant
3 dedication and devotion; and

4 “(B) while recognizing that no government can
5 create a great artist or scholar, to help create and
6 sustain not only a climate encouraging freedom of
7 thought, imagination, and inquiry, but also the ma-
8 terial conditions facilitating the release of creative
9 talent;

10 “(9)(A) to ensure that United States students
11 receive in school, background and preparation in the
12 arts and the humanities to enable the students to
13 recognize and appreciate the aesthetic dimensions of
14 their lives, the cultural heritage of the United
15 States, and the full potential of artistic and scholarly
16 expression; and

17 “(B) to increase access to the arts and the hu-
18 manities for all persons in the United States, includ-
19 ing diverse cultures and urban and rural popu-
20 lations, by—

21 “(i) encouraging and developing quality
22 education in the arts and the humanities at all
23 levels, in conjunction with programs of lifelong
24 learning in the arts and the humanities for all
25 age groups and with formal systems of elemen-

1 tary, secondary, and postsecondary education;
 2 and

3 “(ii) encouraging and facilitating the work
 4 of scholars, artists, arts institutions, and Fed-
 5 eral, State, regional, and local agencies in the
 6 area of education in the arts and the human-
 7 ities.

8 **“SEC. 3. DEFINITIONS.**

9 “As used in this Act:

10 “(1) ARTS.—The term ‘arts’ includes—

11 “(A) dance, design, literature, media,
 12 music, opera, theater, and visual arts;

13 “(B) folk and traditional arts practiced by
 14 the diverse peoples of the United States; and

15 “(C) the presentation, performance, execu-
 16 tion, exhibition, and study of the arts described
 17 in subparagraph (A) or (B), including study of
 18 the arts through apprenticeships, internships,
 19 and other career oriented work-study experi-
 20 ences for artists and art teachers, and
 21 residencies for artists at all educational levels.

22 “(2) GRANT.—The term ‘grant’ includes a loan,
 23 a contract, and a cooperative agreement.

24 “(3) GROUP.—The term ‘group’ includes any
 25 State or other public agency, and any nonprofit or-

ganization in the United States, whether or not incorporated.

“(4) HUMANITIES.—The term ‘humanities’ includes—

“(A) the study and interpretation of—

“(i) language, both modern and classical, linguistics, literature, history, jurisprudence, philosophy, archaeology, comparative religion, and ethics;

“(ii) the history, criticism, and theory of the arts;

“(iii) folklore and folklife; and

“(iv) the aspects of the social sciences that have humanistic content and employ humanistic methods; and

“(B) the study and application of the humanities described in subparagraph (A) to the human environment with particular attention to—

“(i) reflecting the heritage, traditions, and history of the United States; and

“(ii) the relevance of the humanities described in subparagraph (A) to the conditions of national life.

“(5) PROGRAM INCOME.—

1 “(A) IN GENERAL.—The term ‘program
2 income’ means any money that is earned or re-
3 ceived, by a recipient of a grant made under
4 title II or III, from an activity supported by the
5 funds made available through the grant or from
6 a product resulting from or related to an activ-
7 ity carried out under the grant.

8 “(B) TYPES OF INCOME.—The term in-
9 cludes—

10 “(i) income from a fee for service per-
11 formed, or from the sale of an item cre-
12 ated, under the grant;

13 “(ii) income from a licensing fee on a
14 product related to an activity carried out
15 under the grant;

16 “(iii) a usage or rental fee for equip-
17 ment or property acquired under the grant;

18 “(iv) an admission fee for an activity
19 carried out under the grant;

20 “(v) income from a broadcast or dis-
21 tribution right for such an activity; and

22 “(vi) a royalty on a patent or copy-
23 right for such an activity.

1 “(6) REGIONAL GROUP.—The term ‘regional
2 group’ means any multistate group, whether or not
3 representative of contiguous States.

4 “(7) STATE.—The term ‘State’ includes, in ad-
5 dition to the several States of the United States, the
6 Commonwealth of Puerto Rico, the District of Co-
7 lumbia, Guam, American Samoa, the Commonwealth
8 of the Northern Mariana Islands, and the Virgin Is-
9 lands.

10 **“TITLE I—NATIONAL FOUNDA-**
11 **TION ON THE ARTS AND THE**
12 **HUMANITIES**

13 **“SEC. 101. ESTABLISHMENT OF THE NATIONAL FOUNDA-**
14 **TION ON THE ARTS AND THE HUMANITIES.**

15 “(a) ESTABLISHMENT.—There is established a Na-
16 tional Foundation on the Arts and the Humanities (re-
17 ferred to in this Act as the ‘Foundation’), which shall be
18 composed of a National Endowment for the Arts, a Na-
19 tional Endowment for the Humanities (each of which may
20 be referred to in this section as an ‘Endowment’), and an
21 Institute of Museum and Library Services.

22 “(b) PURPOSE.—The purpose of the Foundation
23 shall be to develop and promote a national policy of sup-
24 port for the arts and the humanities in the United States.

1 “(c) LIMITATION.—In the administration of this Act
2 no department, agency, officer, or employee of the United
3 States shall exercise any direction, supervision, or control
4 over the policy determination, personnel, or curriculum, or
5 the administration or operation of any school or other non-
6 Federal agency, institution, organization, or association.

7 “(d) DONATIONS, BEQUESTS, AND DEVICES.—

8 “(1) IN GENERAL.—In any case in which any
9 money or other property is donated, bequeathed, or
10 devised to the Foundation without designation of the
11 Endowment for the benefit of which the money or
12 property is intended, each Chairperson of an Endow-
13 ment shall have authority to receive such money or
14 property.

15 “(2) UNRESTRICTED DONATIONS, BEQUESTS,
16 AND DEVICES.—Except as provided in paragraph
17 (3), unless the Chairpersons of the Endowments
18 agree otherwise, the money or property shall be
19 deemed to have been donated, bequeathed, or de-
20 vised in equal shares to each Endowment.

21 “(3) RESTRICTED DONATIONS, BEQUESTS, AND
22 DEVICES.—In any case in which any money or prop-
23 erty is donated, bequeathed, or devised to the Foun-
24 dation with a condition or restriction, such money or
25 property shall be deemed to have been donated, be-

1 queathed, or devised to the Endowment whose func-
2 tion it is to carry out the purposes of the condition
3 or restriction.

4 “(e) TAX LAWS.—For the purposes of the income
5 tax, gift tax, and estate tax laws of the United States,
6 any money or other property donated, bequeathed, or de-
7 vised to the Foundation or one of the Endowments and
8 received by the Chairperson of an Endowment pursuant
9 to this section, section 207, or section 307 shall be deemed
10 to have been donated, bequeathed, or devised to or for the
11 use of the United States.

12 **“SEC. 102. GENERAL LIMITATIONS ON GRANTS.**

13 “None of the grants awarded under this Act shall be
14 used for the purposes of lobbying or for providing general
15 membership services for groups.

16 **“SEC. 103. JOINT ADMINISTRATION.**

17 “(a) INSPECTOR GENERAL.—There shall be in the
18 Foundation a single Office of the Inspector General for
19 the National Endowment for the Arts and the National
20 Endowment for the Humanities. The Office shall be head-
21 ed by 1 Inspector General appointed in accordance with
22 the Inspector General Act of 1978 (5 U.S.C. App.). The
23 Inspector General shall carry out the duties prescribed in
24 such Act, including conducting appropriate reviews to en-
25 sure that recipients of grants under titles II and III com-

1 ply with the applicable regulations and procedures estab-
2 lished under this Act, including regulations relating to ac-
3 counting and financial matters.

4 “(b) REPORTING.—The Inspector General for the
5 National Endowment for the Arts and the National En-
6 dowment for the Humanities shall report—

7 “(1) to the Chairperson of the National Endow-
8 ment for the Arts with respect to matters relating
9 to the National Endowment for the Arts; and

10 “(2) to the Chairperson of the National Endow-
11 ment for the Humanities with respect to matters re-
12 lating to the Chairperson of the National Endow-
13 ment for the Humanities.

14 “(c) OTHER FUNCTIONS.—The Chairperson of the
15 National Endowment for the Arts and Chairperson of the
16 National Endowment for the Humanities shall ensure non-
17 duplication of administrative functions, such as provision
18 of facilities and space, records management, contracting,
19 procurement, printing, and provision of mail and library
20 services. The Chairpersons shall enter into an interagency
21 agreement to jointly carry out the functions with the mini-
22 mum necessary expense.

23 “(d) REPORT.—Not later than 60 days after the date
24 of enactment of the Arts, Humanities, and Museums
25 Amendments of 1995, the Chairperson of the National

1 Endowment for the Arts and the Chairperson of the Na-
2 tional Endowment for the Humanities shall jointly prepare
3 and submit to the appropriate committees of Congress a
4 report containing a plan that describes the manner in
5 which the Chairpersons will jointly carry out the functions
6 described in subsection (c). Not later than 180 days after
7 such date of enactment, the Chairpersons shall implement
8 the plan.

9 **“SEC. 104. AUTHORIZATION OF APPROPRIATIONS.**

10 “(a) NATIONAL ENDOWMENT FOR THE ARTS.—

11 “(1) IN GENERAL.—

12 “(A) GRANT PROGRAMS.—For the purpose
13 of making grants under subsections (c), (d),
14 and (e) of section 202, there are authorized to
15 be appropriated to the National Endowment for
16 the Arts \$139,710,000 for fiscal year 1996,
17 \$136,910,000 for fiscal year 1997,
18 \$134,270,000 for fiscal year 1998,
19 \$131,500,000 for fiscal year 1999, and
20 \$128,870,000 for fiscal year 2000.

21 “(B) RESERVATION FOR PARTNERSHIP
22 GRANTS.—40 percent of the amount appro-
23 priated for a fiscal year under subparagraph
24 (A) shall be reserved for making grants under
25 section 202(c).

1 “(C) RESERVATION FOR NATIONAL SIG-
2 NIFICANCE GRANTS.—40 percent of the amount
3 appropriated for a fiscal year under subpara-
4 graph (A) shall be reserved for making grants
5 under section 202(d).

6 “(D) RESERVATION FOR DIRECT
7 GRANTS.—20 percent of the amount appro-
8 priated for a fiscal year under subparagraph
9 (A) shall be reserved for making grants under
10 section 202(e).

11 “(2) APPROPRIATIONS BASED ON DONA-
12 TIONS.—There are authorized to be appropriated to
13 the National Endowment for the Arts for each of fis-
14 cal years 1996 through 2000, an additional amount,
15 equal to the sum of—

16 “(A) the total amounts received by the Na-
17 tional Endowment for the Arts under section
18 207(a)(2), including the value of property do-
19 nated, bequeathed, or devised to the National
20 Endowment for the Arts, and any interest
21 earned on the amounts, for use in carrying out
22 projects and other activities under title II; and

23 “(B) the total amounts received by the
24 grant recipients under title II from non-Federal
25 sources, including the value of property do-

1 nated, bequeathed, or devised to such recipi-
2 ents, for use in making grants to carry out
3 projects and other activities under title II;

4 except that the amounts so appropriated to the Na-
5 tional Endowment for the Arts shall not exceed
6 \$10,000,000 for fiscal year 1996 and such sums as
7 may be necessary for each of fiscal years 1997
8 through 2000.

9 “(3) GUIDELINES.—The Chairperson shall
10 issue guidelines to implement the provisions of para-
11 graph (2). Such guidelines shall be consistent with
12 the requirements of title II, regarding the Federal
13 share of the cost of activities carried out under title
14 II.

15 “(4) SUMS REMAINING AVAILABLE.—Sums ap-
16 propriated pursuant to paragraph (1) or (2) for any
17 fiscal year shall remain available for obligation until
18 expended.

19 “(5) TOTAL AUTHORIZATION.—There are au-
20 thorized to be appropriated to carry out the activi-
21 ties of the National Endowment for the Arts under
22 this Act, including amounts described in paragraph
23 (1) or (2), or in subsection (c)(1), \$158,760,000 for
24 fiscal year 1996, \$155,580,000 for fiscal year 1997,
25 \$152,470,000 for fiscal year 1998, \$149,430,000 for

1 fiscal year 1999, and \$146,440,000 for fiscal year
2 2000.

3 “(b) NATIONAL ENDOWMENT FOR THE HUMAN-
4 ITIES.—

5 “(1) IN GENERAL.—

6 “(A) GRANT PROGRAMS.—For the purpose
7 of making grants under subsections (c), (d),
8 and (e) of section 302, there are authorized to
9 be appropriated to the National Endowment for
10 the Humanities, \$148,330,000 for fiscal year
11 1996, \$145,370,000 for fiscal year 1997,
12 \$142,470,000 for fiscal year 1998,
13 \$139,620,000 for fiscal year 1999, and
14 \$136,820,000 for fiscal year 2000.

15 “(B) RESERVATION FOR PARTNERSHIP
16 GRANTS.—25 percent of the amount appro-
17 priated for a fiscal year under subparagraph
18 (A) shall be reserved for making grants under
19 section 302(c).

20 “(C) RESERVATION FOR NATIONAL
21 GRANTS.—37.5 percent of the amount appro-
22 priated for a fiscal year under subparagraph
23 (A) shall be reserved for making grants under
24 section 302(d).

1 “(D) RESERVATION FOR RESEARCH AND
2 SCHOLARSHIP GRANTS.—37.5 percent of the
3 amount appropriated for a fiscal year under
4 subparagraph (A) shall be reserved for making
5 grants under section 302(e).

6 “(2) APPROPRIATIONS BASED ON DONA-
7 TIONS.—There are authorized to be appropriated to
8 the National Endowment for the Humanities for
9 each of fiscal years 1996 through 2000, an addi-
10 tional amount equal to the sum of—

11 “(A) the total amounts received by the Na-
12 tional Endowment for the Humanities under
13 section 307(a)(2), including the value of prop-
14 erty donated, bequeathed, or devised to the Na-
15 tional Endowment for the Humanities, and any
16 interest earned on the amounts, for use in car-
17 rying out activities under title III; and

18 “(B) the total amounts received by the
19 grant recipients under title III from non-Fed-
20 eral sources, including the value of property do-
21 nated, bequeathed, or devised to such recipi-
22 ents, for use in carrying out activities under
23 title III;

24 except that the amounts so appropriated to the Na-
25 tional Endowment for the Humanities shall not ex-

1 ceed \$10,000,000 for fiscal year 1996 and such
2 sums as may be necessary for each of fiscal years
3 1997 through 2000.

4 “(3) GUIDELINES.—The Chairperson shall
5 issue guidelines to implement the provisions of para-
6 graph (2). Such guidelines shall be consistent with
7 the requirements of title III, regarding the Federal
8 share of the cost of activities carried out under title
9 III.

10 “(4) SUMS REMAINING AVAILABLE.—Sums ap-
11 propriated pursuant to paragraph (1) or (2) for any
12 fiscal year shall remain available for obligation until
13 expended.

14 “(5) TOTAL AUTHORIZATION.—There are au-
15 thorized to be appropriated to carry out the activi-
16 ties of the National Endowment for the Humanities
17 under this Act, including amounts described in para-
18 graph (1) or (2), or in subsection (c)(2),
19 \$168,560,000 for fiscal year 1996, \$165,190,000 for
20 fiscal year 1997, \$161,890,000 for fiscal year 1998,
21 \$158,660,000 for fiscal year 1999, and
22 \$155,490,000 for fiscal year 2000.

23 “(c) ADMINISTRATION.—

24 “(1) NATIONAL ENDOWMENT FOR THE ARTS.—
25 Not more than 12 percent of the amount appro-

1 appropriated for a fiscal year under subsection (a)(5) may
2 be made available for the costs of administering title
3 II, or any other program for which the Chairperson
4 of the National Endowment for the Arts is respon-
5 sible, of which—

6 “(A) not more than \$100,000 shall be
7 made available for the President’s Committee
8 on the Arts and the Humanities, none of which
9 may be used to reimburse members of the Com-
10 mittee for travel and related expenses; and

11 “(B) not to exceed \$100,000 shall be made
12 available for fiscal year 1996 from amounts re-
13 ceived under section 207(a)(2) for official re-
14 ception and representation expenses and not to
15 exceed \$50,000 shall be made available for each
16 subsequent fiscal year from such amounts for
17 such expenses.

18 “(2) NATIONAL ENDOWMENT FOR THE HUMAN-
19 ITIES.—Not more than 12 percent of the amount
20 appropriated for a fiscal year under subsection
21 (b)(5) may be made available for the costs of admin-
22 istering title III, or any other program for which the
23 Chairperson of the National Endowment for the Hu-
24 manities is responsible, of which—

“(A) not more than \$100,000 shall be made available for the President’s Committee on the Arts and the Humanities, none of which may be used to reimburse members of the Committee for travel and related expenses; and

“(B) not to exceed \$100,000 shall be made available for fiscal year 1996 from amounts received under section 307(a)(2) for official reception and representation expenses and not to exceed \$50,000 shall be made available for each subsequent fiscal year from such amounts for such expenses.

“TITLE II—NATIONAL ENDOWMENT FOR THE ARTS

“SEC. 201. DEFINITIONS.

“As used in this title:

“(1) DEVELOPING ARTS ORGANIZATION.—The term ‘developing arts organization’ means a local arts organization of high artistic promise that—

“(A) serves as an important source of local arts programming in a community; and

“(B) has the potential to broaden public access to the arts in rural and inner city areas and other artistically underserved areas.

1 “(2) FINAL JUDGMENT.—The term ‘final judgment’ means a judgment that is either—

3 “(A) not reviewed by any other court that
4 has authority to review such judgment; or

5 “(B) is not reviewable by any other court.

6 “(3) LOCAL ARTS AGENCY.—The term ‘local arts agency’ means a community organization, or an
7 agency of local government, that primarily provides
8 financial support, services, or other programs for
9 artists and arts organizations, for the benefit of the
10 community as a whole.

12 “(4) OBSCENE; DETERMINED TO BE OB-
13 SCENE.—

14 “(A) OBSCENE.—The term ‘obscene’
15 means, with respect to a project, production, or
16 workshop that—

17 “(i) the average person, applying con-
18 temporary community standards, would
19 find that such project, production, or work-
20 shop, when taken as a whole, appeals to
21 the prurient interest;

22 “(ii) such project, production, or
23 workshop depicts or describes sexual con-
24 duct in a patently offensive way; and

1 “(iii) such project, production, or
2 workshop, when taken as a whole, lacks se-
3 rious literary, artistic, political or scientific
4 value.

5 “(B) DETERMINED TO BE OBSCENE.—The
6 term ‘determined to be obscene’ means deter-
7 mined, in a final judgment of a court of record
8 and of competent jurisdiction in the United
9 States, to be obscene.

10 “(5) PRODUCTION.—The term ‘production’
11 means any activity involving the execution or ren-
12 dition of the arts and meeting such standards as
13 may be approved by the Chairperson of the Endow-
14 ment.

15 “(6) PROJECT.—

16 “(A) IN GENERAL.—The term ‘project’
17 means a program organized to carry out the ob-
18 jectives of this Act, including a program to fos-
19 ter United States artistic creativity, to commis-
20 sion a work of art, or to develop and enhance
21 the widest public access, knowledge, and under-
22 standing of the arts, and includes, where appro-
23 priate, rental or purchase of a facility, rental or
24 purchase of land, and acquisition of equipment.

1 “(B) RENOVATION OR CONSTRUCTION.—

2 Such term also includes—

3 “(i) the renovation of a facility if—

4 “(I) the amount of the expendi-
5 ture of Federal funds for such pur-
6 pose in the case of any facility does
7 not exceed \$250,000; and

8 “(II) two-thirds of the members
9 of the National Council on the Arts
10 (who are present and voting) rec-
11 ommend a grant involving an expendi-
12 ture for such purpose; and

13 “(ii) with respect to a grant under
14 section 202(d), the construction of a facil-
15 ity, if—

16 “(I) such construction is for
17 demonstration purposes or under un-
18 usual circumstances in which there is
19 no other manner by which to accom-
20 plish an artistic purpose; and

21 “(II) two-thirds of the members
22 of the National Council on the Arts
23 (who are present and voting) rec-
24 ommend a grant involving an expendi-
25 ture for such purpose.

1 “(7) WORKSHOP.—The term ‘workshop’ means
2 a program the primary purpose of which is to en-
3 courage the artistic development or enjoyment of
4 amateur, student, or other participants.

5 **“SEC. 202. ESTABLISHMENT OF THE NATIONAL ENDOW-**
6 **MENT FOR THE ARTS.**

7 “(a) ESTABLISHMENT.—There is established within
8 the Foundation a National Endowment for the Arts (re-
9 ferred to in this title as the ‘Endowment’).

10 “(b) CHAIRPERSON.—

11 “(1) APPOINTMENT.—The Endowment shall be
12 headed by a chairperson, to be known as the Chair-
13 person of the Endowment (referred to in this title as
14 the ‘Chairperson’), who shall be appointed by the
15 President, by and with the advice and consent of the
16 Senate.

17 “(2) TERM.—

18 “(A) IN GENERAL.—The term of office of
19 the Chairperson shall be 4 years, except that
20 any Chairperson appointed to fill a vacancy
21 shall serve for the remainder of the term for
22 which the predecessor of the Chairperson was
23 appointed. Notwithstanding any other provision
24 of this subparagraph, on the expiration of the
25 term of office of the Chairperson, the Chair-

1 person shall serve until the successor to the
2 Chairperson is appointed and has qualified.

3 “(B) REAPPOINTMENT.—The Chairperson
4 shall be eligible for reappointment.

5 “(c) PARTNERSHIP GRANTS.—

6 “(1) PURPOSES.—The purpose of this sub-
7 section is to make grants to States and local and re-
8 gional groups to establish local arts activities, with
9 particular emphasis on arts education and projects
10 that reach rural and urban underserved commu-
11 nities.

12 “(2) GRANTS TO STATES.—

13 “(A) AUTHORITY.—Using 70 percent of
14 the funds reserved under section 104(a)(1)(B)
15 and such portion of any funds made available
16 under section 104(a)(2) as may be appropriate,
17 the Chairperson, acting on the recommendation
18 of the National Council on the Arts, shall estab-
19 lish and carry out a program of basic State
20 grants to assist States—

21 “(i)(I) in supporting projects, produc-
22 tions, or workshops that meet the standard
23 of artistic excellence and artistic merit and
24 that fulfill the purposes of this Act; and

1 “(II) in developing projects, produc-
2 tions, or workshops that will furnish pro-
3 grams, facilities, and services in the arts to
4 people and communities in each of the
5 States; and

6 “(ii) in carrying out activities that—

7 “(I) stimulate artistic activity
8 and awareness, and broadening public
9 access to the arts, in rural, inner-city,
10 and other areas that are underserved
11 artistically;

12 “(II) enhance the artistic capa-
13 bilities of developing arts organiza-
14 tions through artistic, programmatic,
15 and staff development; or

16 “(III) provide technical assist-
17 ance to developing arts organizations
18 to improve managerial and organiza-
19 tional skills, financial systems man-
20 agement, and long-range fiscal plan-
21 ning.

22 “(B) APPLICATION.—In order to receive a
23 grant under this paragraph for any fiscal year,
24 a State shall submit an application described in
25 section 203 for such grant at such time and in

1 such manner as shall be specified by the Chair-
2 person and accompany such application with a
3 State plan that the Chairperson finds—

4 “(i) designates or provides for the es-
5 tablishment of a State agency (referred to
6 in this section as the ‘State agency’) as the
7 sole agency for the administration of the
8 State plan;

9 “(ii) provides that funds paid to the
10 State under this paragraph will be ex-
11 pended solely on projects, productions, or
12 workshops described in subparagraph (A)
13 and approved by the State agency;

14 “(iii) provides that the State agency
15 will make such reports, in such manner
16 and containing such information, as the
17 Chairperson may from time to time re-
18 quire, including a description of the
19 progress made toward achieving the objec-
20 tives of the State plan;

21 “(iv) provides—

22 “(I) an assurance that the State
23 agency has held, after reasonable no-
24 tice, public meetings in the State to
25 allow groups of artists, interested or-

1 organizations, and the public to present
2 views and make recommendations re-
3 garding the State plan; and

4 “(II) a summary of such rec-
5 ommendations and the response of the
6 State agency to such recommenda-
7 tions; and

8 “(v) contains—

9 “(I) for the most recent preced-
10 ing year for which information is
11 available, a description of the level of
12 participation by artists, artists’ orga-
13 nizations, and arts organizations in
14 projects, productions, or workshops
15 supported by funding from the State
16 agency under this paragraph, and a
17 description of the extent to which
18 projects, productions, or workshops
19 supported by funding from the State
20 agency under this paragraph were
21 available to all people and commu-
22 nities in the State; and

23 “(II) a description of projects,
24 productions, or workshops supported
25 by funding from the State agency

1 under this paragraph that exist or are
2 being developed to secure wider par-
3 ticipation of artists, artists' organiza-
4 tions, and arts organizations described
5 in subclause (I) or that address the
6 availability of the arts to all people or
7 communities described in subclause
8 (I).

9 “(C) APPROVAL.—The Chairperson may
10 not approve an application described in sub-
11 paragraph (B) unless the accompanying State
12 plan satisfies the requirements specified in sub-
13 paragraph (B).

14 “(D) ALLOTMENTS.—

15 “(i) IN GENERAL.—Of the sums avail-
16 able to carry out this paragraph for any
17 fiscal year, each State that has an applica-
18 tion approved by the Chairperson shall be
19 allotted at least \$200,000.

20 “(ii) INSUFFICIENT FUNDS.—If the
21 sums available to carry out this paragraph
22 for any fiscal year are insufficient to make
23 the allotments under clause (i) in full, such
24 sums shall be allotted so that each such
25 State receives an equal amount.

1 “(iii) EXCESS FUNDS.—In any case in
2 which the sums available to carry out this
3 paragraph for any fiscal year are in excess
4 of the amount required to make the allot-
5 ments under clause (i)—

6 “(I) the amount of such excess
7 that is not greater than 25 percent of
8 the sums available to carry out this
9 paragraph for such fiscal year shall be
10 available to the Chairperson for mak-
11 ing grants under this paragraph to
12 States and, in accordance with sub-
13 paragraph (H), regional groups; and

14 “(II) the amount of such excess
15 for such fiscal year, if any, that re-
16 mains after reserving in full for the
17 Chairperson the amount required
18 under subclause (I) shall be allotted
19 so that each State that has an appli-
20 cation approved by the Chair receives
21 an in equal amount;

22 but in no event shall any State be allotted
23 less than \$200,000 under this paragraph.

24 “(E) FEDERAL SHARE.—

1 “(i) IN GENERAL.—Funding provided
2 through a grant made under this para-
3 graph to a State for any fiscal year shall
4 be available to each State that has an ap-
5 plication approved by the Chairperson, and
6 has the State plan accompanying the appli-
7 cation in effect on the first day of such fis-
8 cal year, to pay not more than 50 percent
9 of the total cost of carrying out any activ-
10 ity described in subparagraph (A).

11 “(ii) EXCESS PORTION.—Except as
12 provided in clause (iii), the portion of the
13 funding provided through any grant made
14 under subparagraph (D)(i) to a State for
15 any fiscal year that exceeds \$125,000 shall
16 be available, at the discretion of the Chair-
17 person, to pay not more than 100 percent
18 of such cost of carrying out an activity
19 under this paragraph if such activity would
20 be unavailable to the residents of the State
21 without such portion.

22 “(iii) PERCENTAGE OF GRANT
23 FUNDS.—The portion of the funding de-
24 scribed in clause (ii) for any fiscal year
25 that is available to pay not more than 100

1 percent of such cost, as described in clause
2 (ii), shall not exceed 20 percent of the total
3 funding provided through such grant for
4 such fiscal year.

5 “(F) PROHIBITION ON SUPPLANTING NON-
6 FEDERAL FUNDS.—Funds made available under
7 this paragraph shall be used to supplement, and
8 shall not supplant, non-Federal funds expended
9 for supporting activities described in subpara-
10 graph (A).

11 “(G) UNOBLIGATED FUNDS.—Any amount
12 allotted to a State under subparagraph (D)(i)
13 for any fiscal year that is not obligated by the
14 State earlier than 60 days prior to the end of
15 the fiscal year for which the amount is appro-
16 priated shall be available for making grants to
17 regional groups.

18 “(H) SPECIAL RULE.—The provisions of
19 this paragraph (other than subparagraph (D))
20 shall apply to regional groups receiving grants
21 under this paragraph in such manner, and to
22 such extent, as the Chairperson shall by regula-
23 tion prescribe.

24 “(I) DEFINITION.—As used in subpara-
25 graph (D)(iii)(II) and notwithstanding section

1 3(7), the term ‘State’ includes, in addition to
2 the several States of the United States, only the
3 jurisdictions specified in such section that have
4 a population of 200,000 or more, according to
5 the latest decennial census.

6 “(3) GRANTS TO PROMOTE ACCESS TO THE
7 ARTS THROUGH SUPPORT OF EDUCATION, AND EX-
8 PANSION AND ADVANCEMENT OF THE ARTS.—

9 “(A) IN GENERAL.—Using 30 percent of
10 the funds reserved under section 104(a)(1)(B)
11 and such portion of any funds made available
12 under section 104(a)(2) as may be appropriate,
13 the Chairperson, acting on the recommendation
14 of the National Council on the Arts, may estab-
15 lish and carry out a program of grants to
16 States, arts agencies, or other local or regional
17 groups, in order to foster and encourage excep-
18 tional talent, public knowledge, understanding,
19 and appreciation of the arts, and to support the
20 education, training, and development of the art-
21 ists of the United States, by paying for the
22 Federal share of the cost of carrying out
23 projects, productions, and workshops that
24 will—

1 “(i) promote and improve the avail-
2 ability of arts instruction, and improve the
3 quality of arts education, through support
4 of lifelong learning in the arts;

5 “(ii) enhance the quality of arts in-
6 struction in programs of teacher education;

7 “(iii) develop arts faculty resources
8 and talents;

9 “(iv) support and encourage the devel-
10 opment of improved curriculum materials
11 in the arts;

12 “(v) improve evaluation and assess-
13 ment of education in the arts programs
14 and instruction;

15 “(vi) foster cooperative programs with
16 the Department of Education and other
17 Federal agencies and encourage partner-
18 ships among arts and education agencies
19 and organizations at State and local levels
20 as well as among arts organizations, busi-
21 nesses, and educational and cultural insti-
22 tutions;

23 “(vii) support apprenticeships, intern-
24 ships, and other career oriented work-study
25 experiences for artists and arts teachers,

1 and encourage residencies of artists at all
2 educational levels;

3 “(viii) support the use of technology
4 and improved facilities and resources in
5 education in the arts programs at all lev-
6 els;

7 “(ix) foster the development of dem-
8 onstration projects, demonstration produc-
9 tions, demonstration workshops, and dem-
10 onstration programs in arts education and
11 collect, and make available to the public,
12 information on their implementation and
13 effectiveness; and

14 “(x) promote or advance arts at the
15 local level.

16 “(B) APPLICATION.—In order to receive a
17 grant under this paragraph for any fiscal year,
18 a State, agency, or group shall submit an appli-
19 cation described in section 203 for such grant
20 at such time, in such manner, and accompanies
21 by such information, as shall be specified by the
22 Chairperson.

23 “(C) FEDERAL SHARE.—Grants made
24 under this paragraph shall be subject to the re-
25 quirements of paragraph (2)(E), in the same

1 manner and to the same extent as grants made
2 under paragraph (2)(D).

3 “(d) NATIONAL SIGNIFICANCE GRANTS.—

4 “(1) PURPOSE.—The purpose of this subsection
5 is to make grants to groups, including regional
6 groups, of demonstrated and substantial artistic and
7 cultural importance, for projects, productions, and
8 workshops that will increase the access of all the
9 people of the United States to the best of the arts
10 and culture of the United States.

11 “(2) IN GENERAL.—Using funds reserved under
12 section 104(a)(1)(C) and such portion of any funds
13 made available under section 104(a)(2) as may be
14 appropriate, the Chairperson, acting on the rec-
15 ommendation of the National Council on the Arts,
16 may establish and carry out a program of grants to
17 groups who meet the standard of artistic excellence
18 and artistic merit and who are engaged in or con-
19 cerned with the arts, for the purpose of paying for
20 the Federal share of the cost of—

21 “(A) enabling the groups to provide or
22 support projects, productions, or workshops de-
23 scribed in paragraph (3) that will have a na-
24 tional, regional, or otherwise substantial artistic
25 or cultural impact; or

1 “(B) providing administrative and manage-
 2 ment improvements for the groups, particularly
 3 in the field of long-range financial planning, in-
 4 cluding increasing levels of community support
 5 and the range of contributors to the programs
 6 of such groups.

7 “(3) PROJECTS, PRODUCTIONS, AND WORK-
 8 SHOPS.—

9 “(A) REQUIRED ELEMENTS.—Each such
 10 project, production, or workshop shall—

11 “(i) have substantial national or re-
 12 gional cultural significance, and encourage
 13 professional excellence; or

14 “(ii) (I) have significant merit; and

15 “(II) be a project, production, or
 16 workshop that, if such a group did not re-
 17 ceive a grant, might otherwise be unavail-
 18 able to citizens for geographic or economic
 19 reasons.

20 “(B) PERMISSIBLE ELEMENTS.—Each
 21 such project, production, or workshop may—

22 “(i) encourage access to, education in,
 23 and knowledge, understanding, enjoyment,
 24 and appreciation of, the arts by the public;

1 “(ii) enhance managerial and organi-
2 zational skills and capabilities;

3 “(iii) use technology to broaden public
4 access to the arts;

5 “(iv) expand access to the arts for in-
6 dividuals with disabilities; or

7 “(v) promote access to the arts for
8 minority or underserved populations.

9 “(4) FEDERAL SHARE REQUIREMENT.—

10 “(A) IN GENERAL.—Except as provided in
11 subparagraphs (B) and (C), in the case of any
12 grant made under this subsection, the Federal
13 share described in paragraph (2) shall be 25
14 percent.

15 “(B) CERTAIN GROUPS.—In the case of
16 any grant made under this subsection to a
17 group with an annual budget in excess of
18 \$3,000,000, the Federal share described in
19 paragraph (2) shall be 16.67 percent.

20 “(C) ADJUSTMENTS.—The Chairperson
21 may increase the Federal share applicable
22 under this subsection for a designated grant re-
23 cipient, with review by the National Council on
24 the Arts. The Chairperson shall not increase
25 the Federal share above 50 percent for the re-

1 cipient. Not more than 10 percent of the funds
 2 made available by the Endowment for grants
 3 under this subsection for any fiscal year may be
 4 available for grants for the fiscal year for which
 5 the Chairperson increases the applicable Fed-
 6 eral share.

7 “(5) PRIORITY.—In awarding grants under this
 8 subsection, the Chairperson shall give priority to
 9 projects, productions, and workshops that increase
 10 the access of the public of the United States to cul-
 11 ture and the arts, including access by touring, by re-
 12 gional or national dissemination, or by geographic
 13 dispersion.

14 “(e) DIRECT GRANTS.—

15 “(1) PURPOSE.—The purpose of this subsection
 16 is to make grants to groups, and individuals, that
 17 are broadly representative of the cultural heritage of
 18 the United States and broadly geographically rep-
 19 resentative, for projects, productions, and workshops
 20 of the highest artistic excellence and artistic merit.

21 “(2) IN GENERAL.—Using funds reserved under
 22 section 104(a)(1)(D) and such portion of any funds
 23 made available under section 104(a)(2) as may be
 24 appropriate, the Chairperson, acting on the rec-
 25 ommendation of the National Council on the Arts,

1 may establish and carry out a program of grants to
2 groups, or individuals who meet the standard of ar-
3 tistic excellence and artistic merit and who are en-
4 gaged in or concerned with the arts, to pay for the
5 Federal share of the cost of projects, productions, or
6 workshops that meet the standard of artistic excel-
7 lence and artistic merit and that fulfill the purposes
8 of this Act.

9 “(3) FEDERAL SHARE REQUIREMENT.—The
10 Federal share described in paragraph (2) shall be 50
11 percent.

12 “(4) PRIORITY.—In awarding grants under this
13 subsection, the Chairperson shall give priority to
14 projects, productions, and workshops that will be
15 disseminated widely after completion.

16 “(5) ADJUSTMENTS.—The Chairperson may in-
17 crease the Federal share applicable under this sub-
18 section for a designated grant recipient, with review
19 by the National Council on the Arts. Not more than
20 20 percent of the funds made available by the En-
21 dowment for grants under this subsection for any
22 fiscal year may be available for grants for the fiscal
23 year for which the Chairperson increases the appli-
24 cable Federal share.

1 **“SEC. 203. APPLICATION PROCEDURES.**

2 “(a) APPLICATION REQUIREMENT.—No grant shall
3 be made under this title to any person unless the person
4 submits an application to the Chairperson in accordance
5 with regulations and procedures established by the Chair-
6 person.

7 “(b) PROCEDURES.—

8 “(1) IN GENERAL.—

9 “(A) CONSIDERATIONS.—In establishing
10 such regulations and procedures for applica-
11 tions, the Chairperson shall ensure that—

12 “(i) artistic excellence and artistic
13 merit of the projects, productions, and
14 workshops described in the application are
15 the criteria by which the applications are
16 judged by advisory panels described in sec-
17 tion 204, taking into consideration general
18 standards of decency and respect for the
19 diverse beliefs and values of the public of
20 the United States;

21 “(ii) in selecting groups as recipients
22 of grants under section 202(d), the Chair-
23 person shall give particular regard to artis-
24 tically underserved areas and artists and
25 artistic groups that have traditionally been
26 underrepresented; and

1 “(iii) the projects, productions, and
2 workshops described in the applications,
3 and awards of grants under this title, are
4 consistent with the objectives of section
5 202 and this section.

6 “(B) OBSCENITY PROVISIONS.—Such regu-
7 lations and procedures shall clearly indicate
8 that obscenity is without artistic merit, is not
9 protected speech, and shall not be funded under
10 this title. Projects, productions, and workshops
11 that are determined to be obscene shall be pro-
12 hibited from receiving grants under this title
13 from the Endowment.

14 “(2) CONSIDERATIONS FOR THE CHAIR-
15 PERSON.—In considering an application for a grant
16 under this title, the Chairperson shall consider the
17 extent to which the projects, productions, and work-
18 shops described in the application fulfill the pur-
19 poses of this Act, as well as their artistic excellence
20 and artistic merit, as determined by the Chair-
21 person.

22 “(3) CONSTRUCTION.—The disapproval or ap-
23 proval by the Chairperson of an application for a
24 grant under this title shall not be construed to
25 mean, and shall not be considered to be evidence

1 that, the project, production, or workshop, for which
2 the applicant requested a grant, is or is not obscene.

3 **“SEC. 204. ADVISORY PANELS.**

4 “(a) IN GENERAL.—The Chairperson shall utilize re-
5 view by advisory panels—

6 “(1) as the first step in the review of applica-
7 tions submitted under this Act; and

8 “(2) to make recommendations to the National
9 Council on the Arts in all cases involving requests
10 for grants authorized under this title, except cases
11 in which the Chairperson exercises authority dele-
12 gated under section 205(f)(2).

13 “(b) PROCEDURES.—

14 “(1) CRITERIA.—In reviewing the applications,
15 such panels shall recommend applications for
16 projects, productions, and workshops on the basis of
17 artistic excellence and artistic merit, consistent with
18 section 203(b)(1)(A)(i).

19 “(2) AMOUNTS.—The panels may recommend
20 only general ranges of funding to be provided
21 through the grants and may not recommend specific
22 amounts of such funding.

23 “(3) REGULATIONS AND PROCEDURES.—The
24 Chairperson shall issue regulations and establish
25 procedures to—

1 “(A) ensure that all the panels are com-
2 posed, to the extent practicable, of individuals
3 providing a wide geographic, ethnic, and minor-
4 ity representation as well as individuals reflect-
5 ing diverse artistic and cultural points of view;

6 “(B) ensure that all the panels include at
7 least 2 members representing lay individuals
8 who are—

9 “(i) knowledgeable about the arts;

10 “(ii) not engaged in the arts as a pro-
11 fession; and

12 “(iii) not employees of either artists’
13 organizations or arts organizations;

14 “(C) ensure that, when feasible, the proce-
15 dures used by the panels to carry out their re-
16 sponsibilities are standardized;

17 “(D) require each such panel—

18 “(i) to create written records summa-
19 rizing—

20 “(I) all meetings and discussions
21 of such panel; and

22 “(II) the recommendations made
23 by such panel to the Council; and

24 “(ii) to make such records available to
25 the public in a manner that protects the

1 privacy of individual applicants and panel
2 members;

3 “(E) permit, when necessary and feasible,
4 a site visit to view the work of an applicant and
5 deliver a written report on the work being re-
6 viewed, in order to assist panelists in making
7 their recommendations;

8 “(F)(i) require that the membership of
9 each such panel change substantially from year
10 to year; and

11 “(ii) provide that no individual be eligible
12 to serve on such a panel for more than 5 years,
13 no 2 of which may be consecutive; and

14 “(G) ensure that the panels recommend
15 more applicants for grants than are anticipated
16 can be provided funding through the grants
17 with available funds.

18 “(4) PROHIBITION ON CONFLICTS OF INTER-
19 EST.—

20 “(A) IN GENERAL.—In making appoint-
21 ments to the panels, the Chairperson shall en-
22 sure that an individual who has a pending ap-
23 plication for a grant authorized under this title,
24 or who is an employee or agent of an organiza-
25 tion with such a pending application, or who

1 has a direct or indirect financial interest in any
 2 application under consideration by such a panel,
 3 does not serve as a member of any panel before
 4 which such application is pending.

5 “(B) DURATION.—The prohibition de-
 6 scribed in subparagraph (A) shall commence
 7 with respect to such individual beginning on the
 8 date such application is submitted, and shall
 9 continue until a final decision on the application
 10 has been reached by the Chairperson.

11 **“SEC. 205. NATIONAL COUNCIL ON THE ARTS.**

12 “(a) ESTABLISHMENT.—There is established within
 13 the Endowment a National Council on the Arts (referred
 14 to in this section as the ‘Council’).

15 “(b) COMPOSITION.—

16 “(1) IN GENERAL.—The Council shall be com-
 17 posed of the Chairperson of the Endowment, who
 18 shall be the Chairperson of the Council, and 20
 19 other members appointed by the President, by and
 20 with the advice and consent of the Senate, who shall
 21 be selected—

22 “(A) from among private citizens of the
 23 United States who—

1 “(i) are widely recognized for their
2 broad knowledge of, or expertise in, the
3 arts; and

4 “(ii) have established records of dis-
5 tinguished service, or achieved eminence, in
6 the arts;

7 “(B) so as to include practicing artists,
8 civic cultural leaders, members of cultural pro-
9 fessions, and others who are professionally en-
10 gaged in the arts; and

11 “(C) so as collectively to provide an appro-
12 priate distribution of members among the major
13 art fields.

14 “(2) QUALIFICATIONS.—The President may, in
15 making such appointments, give consideration to
16 such recommendations as may, from time to time, be
17 submitted to the President by leading national orga-
18 nizations in the major art fields. In making such ap-
19 pointments, the President shall give due regard to
20 equitable representation of women, racially and eth-
21 nically diverse individuals, and individuals with dis-
22 abilities, who are involved in the arts. Members of
23 the Council shall be appointed so as to represent eq-
24 uitably geographical areas in the United States.

25 “(c) TERMS.—

1 “(1) IN GENERAL.—

2 “(A) STAGGERED TERMS.—Each member
3 of the Council shall serve for a term of 6 years,
4 and the terms shall be staggered.

5 “(B) EXPIRATION.—Except as provided in
6 paragraph (2), the terms of all Council mem-
7 bers shall expire on the third day of September
8 in the year of expiration.

9 “(C) REAPPOINTMENT AFTER PARTIAL
10 TERM.—Each member who has served on the
11 Council for 1 term of less than 3 years shall be
12 eligible for reappointment for 1 term of 6 years.

13 “(D) VACANCY APPOINTMENTS.—Any
14 member appointed to fill a vacancy shall serve
15 for the remainder of the term for which the
16 predecessor of the member was appointed.

17 “(E) HOLDOVER SERVICE.—Notwithstand-
18 ing any other provision of this subsection, a
19 member of the Council shall serve after the ex-
20 piration of the term of the member until the
21 successor to the member takes office.

22 “(2) ADJUSTMENT TO REDUCE COUNCIL.—

23 “(A) EXPIRATION OF TERMS.—The terms
24 of 10 members of the Council whose terms

1 would otherwise expire on September 3, 1996
2 shall be deemed to expire on January 1, 1996.

3 “(B) TERMS.—The President shall appoint
4 4 members of the Council to succeed members
5 whose terms are deemed to expire as described
6 in subparagraph (A). The terms of the succes-
7 sors shall expire on September 3, 2002.

8 “(d) COMPENSATION.—Members of the Council shall
9 receive compensation at a rate to be fixed by the Chair-
10 person but not to exceed the daily equivalent of the maxi-
11 mum rate authorized for a position above grade GS–15
12 of the General Schedule under section 5108 of title 5,
13 United States Code, and be allowed travel expenses includ-
14 ing per diem in lieu of subsistence, in the same amounts
15 and to the same extent, as authorized under section 5703
16 of title 5, United States Code, for persons employed inter-
17 mittently in Federal Government service.

18 “(e) MEETINGS AND DUTIES.—

19 “(1) MEETINGS.—The Council shall meet at
20 the call of the Chairperson but not less often than
21 twice during each calendar year. Eleven members of
22 the Council shall constitute a quorum. All policy
23 meetings of the Council shall be open to the public.

24 “(2) DUTIES.—The Council shall—

1 “(A) advise the Chairperson with respect
2 to policies, programs, and procedures for carry-
3 ing out the functions of the Chairperson under
4 this title;

5 “(B) review applications for grants author-
6 ized under this title and make recommendations
7 to the Chairperson with respect to—

8 “(i) whether to approve particular ap-
9 plications for grants authorized under this
10 title that have been determined by advisory
11 panels to have artistic excellence and artis-
12 tic merit; and

13 “(ii) the amount of funding that the
14 Chairperson should provide through such a
15 grant with respect to each such application
16 the Council recommends for approval;

17 “(C) use as criteria for the recommenda-
18 tions of the Council—

19 “(i) the extent to which the works de-
20 scribed in the applications fulfill the pur-
21 poses of this Act; and

22 “(ii) the artistic excellence and artistic
23 merit of the works described in the appli-
24 cations,

25 as determined by each Council member;

1 “(D) recommend more applications for
2 funding through grants than are anticipated
3 can be provided funding through the grants
4 with available funds;

5 “(E) create written records summarizing—

6 “(i) all meetings and discussions of
7 the Council; and

8 “(ii) recommendations made by the
9 Council to the Chairperson; and

10 “(F) make such records available to the
11 public in a manner that protects the privacy of
12 individual applicants for grants authorized
13 under this title, advisory panel members, and
14 Council members.

15 “(f) ACTIONS BY CHAIRPERSON.—

16 “(1) IN GENERAL.—The Chairperson shall not
17 approve or disapprove any application for a grant
18 authorized under this title until the Chairperson has
19 received the recommendation of the Council on such
20 application. The Chairperson shall have final author-
21 ity to approve each such application, and shall deter-
22 mine the final amount of funding through any grant
23 awarded. The Chairperson may not approve an ap-
24 plication with respect to which the Council makes a
25 negative recommendation.

1 “(2) DELEGATIONS.—In the case of an applica-
2 tion, or amendment of an application, submitted
3 under this title and involving \$35,000 or less, or a
4 request for change in a grant amount of 20 percent
5 or less, the Chairperson may approve or disapprove
6 such application, amendment, or request, if such ac-
7 tion is taken pursuant to the terms of an express
8 and direct delegation of authority from the Council
9 to the Chairperson, and if each such action by the
10 Chairperson is reported to the Council at the next
11 regularly scheduled meeting of the Council. Such ac-
12 tion by the Chairperson shall be used with discretion
13 and shall not become a normal practice of providing
14 funding through a grant authorized under this title.
15 The terms of any such delegation of authority shall
16 not permit obligations for expenditure of funds
17 under such delegation for any fiscal year that exceed
18 an amount equal to 2 percent of the sums appro-
19 priated for the fiscal year pursuant to section
20 104(a)(1).

21 **“SEC. 206. LIMITATIONS ON GRANTS.**

22 “(a) PROHIBITION ON SUBGRANTS.—The Chair-
23 person shall establish procedures to ensure that no fund-
24 ing provided through a grant under this title, except a
25 grant made to a State or regional group, may be used

1 to make a grant to any other organization or individual
2 to conduct activity independent of the direct grant recipi-
3 ent. Nothing in this subsection shall prohibit payments
4 made in exchange for goods or services rendered.

5 “(b) PROHIBITION ON SEASONAL SUPPORT.—No
6 grant awarded under this title may be used for seasonal
7 support of a project, production, or workshop.

8 “(c) USE OF FUNDS FOR PROJECTS, PRODUCTIONS,
9 AND WORKSHOPS IN SPECIFIED DISCIPLINES.—Each
10 project, production, or workshop funded under this title
11 shall relate to arts, as defined in section 3.

12 “(d) LABOR STANDARDS.—

13 “(1) IN GENERAL.—It shall be a condition of
14 the receipt of any grant under this title that the
15 grant recipient furnish adequate assurances to the
16 Secretary of Labor that—

17 “(A) all professional performers and relat-
18 ed or supporting professional personnel em-
19 ployed on projects or productions, or in work-
20 shops, that are financed in whole or in part
21 under this title will be paid, without subsequent
22 deduction or rebate on any account, not less
23 than the minimum compensation as determined
24 by the Secretary of Labor to be the prevailing

1 minimum compensation for persons employed in
2 similar activities; and

3 “(B) no part of any project, production, or
4 workshop that is financed in whole or in part
5 under this title will be performed or engaged in
6 under working conditions that are unsanitary or
7 hazardous or dangerous to the health and safe-
8 ty of the employees engaged in such project,
9 production, or workshop.

10 “(2) EVIDENCE.—Compliance with the safety
11 and sanitary laws of the State in which the project,
12 production, or workshop described in paragraph
13 (1)(B) is to take place shall be prima facie evidence
14 of compliance with the assurance described in para-
15 graph (1)(B).

16 “(3) STANDARDS, REGULATIONS, AND PROCE-
17 DURES.—The Secretary of Labor shall have the au-
18 thority to prescribe such standards, regulations, and
19 procedures as the Secretary of Labor may determine
20 to be necessary or appropriate to carry out this sub-
21 section.

22 “(e) LIMITATION ON GRANT AWARD.—

23 “(1) INDIVIDUALS.—No individual may receive
24 more than 2 grant awards under this title.

1 “(2) AGENCIES AND ORGANIZATIONS.—No
2 agency or organization, other than a State council,
3 may receive more than 3 grant awards in a year
4 under this title.

5 “(f) REQUIREMENTS FOR GROUPS.—A group shall be
6 eligible for a grant under this title if—

7 “(1) no part of the net earnings of the group
8 inures to the benefit of any private stockholder, or
9 individual; and

10 “(2) a donation to such group is allowable as
11 a charitable contribution under section 170(c) of the
12 Internal Revenue Code of 1986.

13 “(g) CITIZENSHIP REQUIREMENTS FOR INDIVID-
14 UALS.—An individual shall be eligible to receive a direct
15 grant under this title if at the time such grant is received
16 such individual—

17 “(1) is a citizen or other national of the United
18 States; or

19 “(2) is an alien lawfully admitted to the United
20 States for permanent residence who—

21 “(A) has filed an application for natu-
22 ralization in the manner prescribed by section
23 334 of the Immigration and Nationality Act (8
24 U.S.C. 1445); and

1 “(B) is not permanently ineligible to be-
2 come a citizen of the United States.

3 “(h) INSTALLMENTS.—The Chairperson shall estab-
4 lish procedures to provide for the distribution of funding
5 provided through grants made under this title to recipients
6 in installments except in exceptional cases in which the
7 Chairperson determines that installments are not prac-
8 ticable. In providing any such installments to a recipient
9 of a grant under this title, the Chairperson shall ensure
10 that—

11 “(1) not more than two-thirds of such funding
12 may be provided at the time the application for the
13 grant is approved; and

14 “(2) the remainder of such funding may not be
15 provided until the Chairperson finds that the recipi-
16 ent of such grant is complying substantially with
17 this Act and with the conditions under which such
18 funding is provided to such recipient.

19 “(i) LOANS.—Any loan made by the Chairperson
20 under this title shall be made in accordance with terms
21 and conditions approved by the Secretary of the Treasury.

22 **“SEC. 207. ADMINISTRATIVE PROVISIONS.**

23 “(a) AUTHORITIES OF CHAIRPERSON.—In addition
24 to any authorities vested in the Chairperson by other pro-

1 visions of this Act, the Chairperson, in carrying out the
2 functions of the Chairperson, shall have authority—

3 “(1) to prescribe such regulations and proce-
4 dures as the Chairperson determines to be necessary
5 governing the manner in which the functions of the
6 Chairperson shall be carried out;

7 “(2)(A) to solicit, accept, receive, invest, and
8 use money and other property donated, bequeathed,
9 or devised to the Endowment, either absolutely or in
10 trust, with or without a condition or restriction, in-
11 cluding a condition that the Chairperson use other
12 funds of the Endowment for the purposes of the do-
13 nation, bequest, or devise; and

14 “(B) to add such property to the appropriations
15 for the Endowment as provided in section 104(a)(2),
16 and to use, sell, or otherwise dispose of such prop-
17 erty, for purposes of carrying out the activities of
18 the Endowment under this title;

19 “(3) to appoint and determine the compensa-
20 tion of such employees, subject to title 5, United
21 States Code, as may be necessary to carry out the
22 functions of the Chairperson, define their duties,
23 and supervise and direct their activities;

24 “(4) to procure the temporary and intermittent
25 services of experts and consultants, including panels

1 of experts, and compensate the experts and consult-
2 ants in accordance with section 3109 of title 5,
3 United States Code;

4 “(5) to accept and utilize the voluntary services
5 of individuals and reimburse the individuals for trav-
6 el expenses, including per diem in lieu of subsist-
7 ence, in the same amounts and to the same extent
8 as authorized under section 5703 of title 5, United
9 States Code, for persons employed intermittently in
10 Federal Government service;

11 “(6) to make advance, progress, and other pay-
12 ments without regard to section 3324 of title 331,
13 United States Code;

14 “(7) to rent office space in the District of Co-
15 lumbia; and

16 “(8) to make other necessary expenditures.

17 “(b) PUBLICATIONS.—Official publications of the En-
18 dowment under this title may be supported without regard
19 to the provisions of section 501 of title 44, United States
20 Code, if the Chairperson consults with the Joint Commit-
21 tee on Printing of the Congress.

22 “(c) COORDINATION.—The Chairperson shall coordi-
23 nate the programs of the Endowment, insofar as prac-
24 ticable, with other Federal programs and programs under-
25 taken by other public agencies or private groups, and shall

1 develop the programs of the Endowment with due regard
2 to the contribution to the objectives of this title that can
3 be made by other Federal agencies under the existing pro-
4 grams. The Chairperson may enter into interagency agree-
5 ments to promote or assist with the arts-related activities
6 of other Federal agencies, on a reimbursable or
7 nonreimbursable basis, and may use funds authorized to
8 be appropriated to carry out this title to pay for the costs
9 of such promotion or assistance.

10 **“SEC. 208. REPORTS.**

11 “(a) ANNUAL REPORT OF CHAIRPERSON.—The
12 Chairperson shall submit an annual report to the Presi-
13 dent for submission to the appropriate committees of Con-
14 gress on or before the 15th day of April of each year. The
15 report shall summarize the activities of the Endowment
16 for the preceding year, and shall include such rec-
17 ommendations as the Chairperson determines to be appro-
18 priate.

19 “(b) STATE OF THE ARTS REPORT.—

20 “(1) IN GENERAL.—The Chairperson shall use
21 data submitted with State plans under section
22 202(c), and the information contained in reports
23 submitted by States under section 202(c) or this sec-
24 tion, to prepare a report on the state of the arts in
25 the United States.

1 “(2) CONTENTS.—The state of the arts report
2 shall include a description of—

3 “(A) the availability of the programs of the
4 Endowment to emerging, rural, and culturally
5 diverse artists, arts organizations, and commu-
6 nities; and

7 “(B) the participation by such artists, or-
8 ganizations, and communities in such programs.

9 “(3) SUBMISSION.—The state of the arts report
10 shall be submitted to the President and Congress,
11 and provided to the States, not later than October
12 1, 1996, and quadrennially thereafter.

13 “(c) FINANCIAL REPORTS AND COMPLIANCE.—

14 “(1) IN GENERAL.—It shall be a condition of
15 the receipt of a grant made under this title by the
16 Chairperson that—

17 “(A) each applicant for such grant include
18 in the application described in section 203—

19 “(i) a detailed description of the pro-
20 posed project, production, or workshop for
21 which the grant is requested;

22 “(ii) a timetable for the completion of
23 such proposed project, production, or
24 workshop; and

1 “(iii) an assurance that the applicant
2 will meet the standards of artistic excel-
3 lence and artistic merit;

4 “(B)(i) each grant recipient under this
5 title carry out the proposal consistent with the
6 description contained in the application, as ap-
7 proved by the Chairperson for funding through
8 the grant; and

9 “(ii) each such grant recipient seeking to
10 change the activities carried out under the
11 grant justify the requested change by a written
12 request subject to approval by the Chairperson;
13 and

14 “(C) each such grant recipient agree to
15 and comply with requirements to submit to the
16 Chairperson—

17 “(i) interim reports, including an an-
18 nual report for each project, production, or
19 workshop carried out under the grant dur-
20 ing a period exceeding 1 year, describing
21 the progress of the grant recipient in car-
22 rying out such project, production, or
23 workshop and compliance by the grant re-
24 cipient with the conditions of receipt of
25 such grant;

1 “(ii) financial reports containing such
2 information as the Chairperson determines
3 to be necessary to ensure that the funding
4 made available through the grant is ex-
5 pended in accordance with the terms and
6 conditions under which the grant is made;

7 “(iii) a final report describing the
8 project, production, or workshop carried
9 out with the funding provided through the
10 grant and the compliance by the grant re-
11 cipient with the conditions of receipt of
12 such grant, including the condition that
13 the work assisted meet the standards of
14 artistic excellence and artistic merit; and

15 “(iv) in the case of a project or pro-
16 duction, and if practicable, as determined
17 by the Chairperson, a copy of such project
18 or production.

19 “(2) REPORT REQUIREMENTS.—The Chair-
20 person shall determine the appropriate form and
21 timing of interim reporting described in paragraph
22 (1)(C)(i) for a grant recipient under this title. The
23 reports and copy described in clauses (ii), (iii), and
24 (iv) of paragraph (1)(C) shall be due not later than
25 90 days after the end of the period for which such

1 grant recipient receives funding through the grant or
2 90 days after the completion of the project, produc-
3 tion, or workshop, whichever occurs earlier. The
4 Chairperson may extend the 90-day period if the re-
5 cipient shows good cause why such an extension
6 should be granted.

7 “(d) EVALUATION.—The Chairperson shall conduct
8 a post-award evaluation of activities for which grants are
9 made by the Chairperson under this title. Such evaluation
10 may include an audit to determine the accuracy of the re-
11 ports required to be submitted by grant recipients under
12 subsection (c).

13 “(e) REPORTS.—The Chairperson shall establish pro-
14 cedures to require that no additional funding shall be pro-
15 vided to a recipient of a grant authorized under this title
16 unless such recipient has submitted to the Chairperson all
17 required interim, financial, and final reports under sub-
18 section (c).

19 **“SEC. 209. SANCTIONS AND PAYMENTS.**

20 “(a) FAILURE TO SATISFY PURPOSES.—If any recip-
21 ient of a grant made under this title, or an indirect recipi-
22 ent of funding provided through the grant, substantially
23 fails to satisfy the purposes for which such grant is made,
24 as determined by the Chairperson, the Chairperson may—

1 “(1) for purposes of determining whether to
2 make any subsequent funding to the direct or indi-
3 rect recipient under this title, take into consideration
4 the results of the post-award evaluation conducted
5 under section 208(d);

6 “(2) prohibit the direct and indirect recipients
7 from using the name of, or in any way associating
8 the project, production, or workshop for which the
9 grant was received with, the Endowment; and

10 “(3) if such project, production, or workshop is
11 published, require that the publication contain the
12 following statement: ‘The opinions, findings, conclu-
13 sions, and recommendations expressed in this publi-
14 cation do not reflect the views of the National En-
15 dowment for the Arts.’.

16 “(b) NONCOMPLIANCE.—

17 “(1) IN GENERAL.—The Chairperson shall take
18 the actions described in paragraph (2) whenever the
19 Chairperson, after providing reasonable notice and
20 an opportunity for hearing, finds that—

21 “(A) a direct recipient of a grant under
22 this title, or an indirect recipient of funding
23 provided through the grant, is not complying
24 substantially with the provisions of this title;

1 “(B) a State agency or regional group that
2 received a grant under this title, or an indirect
3 recipient of funding provided through the grant,
4 is not complying substantially with terms and
5 conditions of the State plan accompanying the
6 application approved for the grant under this
7 title; or

8 “(C) any funding provided under this title
9 to a recipient, State agency, or regional group
10 described in subparagraph (A) or (B) has been
11 diverted from the purposes for which such fund-
12 ing was provided.

13 “(2) ACTIONS.—On making the finding de-
14 scribed in paragraph (1), the Chairperson shall im-
15 mediately notify the direct recipient, State agency,
16 or regional group that received the funding at issue
17 that—

18 “(A) no further funding will be provided
19 under this title to such recipient, agency, or
20 group until there is no longer any default or
21 failure to comply or the diversion is corrected;
22 or

23 “(B) if compliance or correction is impos-
24 sible, until such recipient, agency, or group re-
25 pays or arranges the repayment of the Federal

1 funds that were improperly diverted or ex-
2 pended.

3 “(c) OBSCENE WORKS.—

4 “(1) DETERMINATION.—If, after providing rea-
5 sonable notice and opportunity for a hearing on the
6 record, the Chairperson determines that a direct re-
7 cipient of a grant under this title, or an indirect re-
8 cipient of funding provided through the grant, used
9 the funding for a project, production, or workshop
10 that is determined to be obscene, the Chairperson
11 shall require that until the direct recipient repays
12 such funding (in such amount, and under such
13 terms and conditions, as the Chairperson determines
14 to be appropriate) to the Endowment, no subsequent
15 funding shall be provided under this title to such re-
16 cipient.

17 “(2) CREDITING.—Funds repaid under this
18 subsection to the Endowment shall be deposited in
19 the Treasury of the United States and credited as
20 miscellaneous receipts.

21 “(3) APPLICATION.—

22 “(A) TIMING.—This subsection shall not
23 apply with respect to grants made before Octo-
24 ber 1, 1990.

1 “(B) DURATION.—This subsection shall
2 not apply with respect to a project, production,
3 or workshop after the expiration of the 7-year
4 period beginning on the latest date on which a
5 grant is made under this title for such project,
6 production, or workshop.

7 “(d) PROGRAM INCOME.—

8 “(1) IN GENERAL.—A recipient of funding
9 under this title shall pay the amount described in
10 paragraph (2) to the Endowment if the Chairperson
11 finds that the recipient has derived program income
12 from the project, production, or workshop funded
13 that exceeds the lesser of—

14 “(A) \$50,000; or

15 “(B) twice the amount of the funding.

16 “(2) AMOUNT.—The amount referred to in
17 paragraph (1) is $\frac{1}{3}$ of the amount of the revenue,
18 but not more than the amount of the funding.

19 “(e) ACCOUNT.—Except as otherwise provided in this
20 Act, the Treasurer of the United States shall deposit funds
21 paid under subsection (d), or repaid under this Act, in
22 a special interest bearing account to the credit of the En-
23 dowment.

24 **“SEC. 210. AWARDS.**

25 “(a) NATIONAL MEDAL OF ARTS.—

1 “(1) ESTABLISHMENT.—There is established a
2 National Medal of Arts, which shall be a medal of
3 such design as is determined to be appropriate by
4 the President, on the basis of recommendations sub-
5 mitted by the National Council on the Arts, and
6 which shall be awarded as provided in this sub-
7 section.

8 “(2) AWARDS.—The President shall from time
9 to time award the National Medal of Arts, on the
10 basis of recommendations from the National Council
11 on the Arts, to individuals or groups who in the
12 judgment of the President are deserving of special
13 recognition by reason of their outstanding contribu-
14 tions to the excellence, growth, support, and avail-
15 ability of the arts in the United States.

16 “(3) NUMBER OF MEDALS.—Not more than 12
17 of such medals may be awarded in any calendar
18 year.

19 “(4) QUALIFICATIONS.—An individual may be
20 awarded the National Medal of Arts if at the time
21 such award is made such individual meets the re-
22 quirements of section 206(g).

23 “(5) GROUPS.—A group may be awarded the
24 National Medal of Arts if such group is organized or
25 incorporated in the United States.

1 “(6) CEREMONIES.—The presentation of the
2 National Medal of Arts shall be made by the Presi-
3 dent with such ceremonies as the President may de-
4 termine to be appropriate, including attendance by
5 appropriate Members of Congress.

6 “(b) AWARD FOR DISTINGUISHED LIFETIME SERV-
7 ICE FOR THE ARTS.—

8 “(1) ESTABLISHMENT.—There is established an
9 Award for Distinguished Lifetime Service for the
10 Arts.

11 “(2) CEREMONIES.—The Chairperson shall
12 present the award described in paragraph (1) to
13 each of the former Chairpersons of the Endowment
14 in conjunction with such ceremonies as the Director
15 may determine to be appropriate to celebrate the
16 30th anniversary of the establishment of the Endow-
17 ment.

18 “(3) EFFECTIVE DATE.—Paragraphs (1) and
19 (2) shall be effective during the period beginning on
20 the date of enactment of this section and ending on
21 March 31, 1996.

22 “(c) FUNDS.—The Chairperson shall use amounts re-
23 ceived by the National Endowment for the Arts under sec-
24 tion 207(a)(2) to carry out this section.

1 **“TITLE III—NATIONAL ENDOW-**
 2 **MENT FOR THE HUMANITIES**

3 **“SEC. 301. DEFINITIONS.**

4 “As used in this title:

5 “(1) PROJECT.—

6 “(A) IN GENERAL.—The term ‘project’
 7 means an activity organized to carry out the ob-
 8 jectives of this title.

9 “(B) RENOVATION OR CONSTRUCTION.—

10 Such term also includes—

11 “(i) the renovation of a facility if—

12 “(I) the amount of the expendi-
 13 ture of Federal funds for such pur-
 14 pose in the case of any facility does
 15 not exceed \$250,000; and

16 “(II) two-thirds of the members
 17 of the National Council on the Hu-
 18 manities (who are present and voting)
 19 approve of a grant or contract involv-
 20 ing an expenditure for such purpose;
 21 and

22 “(ii) for purposes of section 302(d),
 23 the construction of a facility if—

24 “(I) such construction is for
 25 demonstration purposes or under un-

1 usual circumstances in which there is
 2 no other manner by which to accom-
 3 plish a humanistic purpose; and

4 “(II) two-thirds of the members
 5 of the National Council on the Hu-
 6 manities (who are present and voting)
 7 approve of a grant or contract involv-
 8 ing an expenditure for such purpose.

9 “(2) WORKSHOP.—The term ‘workshop’ means
 10 an activity the primary purpose of which is to pro-
 11 mote scholarship and teaching among the partici-
 12 pants.

13 **“SEC. 302. ESTABLISHMENT OF THE NATIONAL ENDOW-**
 14 **MENT FOR THE HUMANITIES.**

15 “(a) ESTABLISHMENT.—There is established within
 16 the Foundation a National Endowment for the Human-
 17 ities (referred to in this title as the ‘Endowment’).

18 “(b) CHAIRPERSON.—

19 “(1) APPOINTMENT.—The Endowment shall be
 20 headed by a chairperson, to be known as the Chair-
 21 person of the Endowment (referred to in this title as
 22 the ‘Chairperson’), who shall be appointed by the
 23 President, by and with the advice and consent of the
 24 Senate.

25 “(2) TERM.—

1 “(A) IN GENERAL.—The term of office of
2 the Chairperson shall be 4 years, except that
3 any Chairperson appointed to fill a vacancy
4 shall serve for the remainder of the term for
5 which the predecessor of the Chairperson was
6 appointed. Notwithstanding any other provision
7 of this subparagraph, on the expiration of the
8 term of office of the Chairperson, the Chair-
9 person shall serve until the successor to the
10 Chairperson is appointed and has qualified.

11 “(B) REAPPOINTMENT.—The Chairperson
12 shall be eligible for reappointment.

13 “(c) PARTNERSHIP GRANTS.—

14 “(1) PURPOSE.—The purpose of this subsection
15 is to support programs of humanities councils at the
16 State and local levels.

17 “(2) DEFINITION.—

18 “(A) IN GENERAL.—Except as provided in
19 subparagraph (B), as used in this subsection,
20 the term ‘State entity’ means—

21 “(i) a State that obtains approval of
22 an application submitted under paragraph
23 (4); or

24 “(ii) in a case in which a State fails
25 to submit an application under paragraph

1 (4), an appropriate entity that obtains ap-
2 proval of an application submitted under
3 paragraph (5).

4 “(B) JURISDICTION.—

5 “(i) STATE ENTITY.—As used in
6 paragraph (6)(C)(ii), the term ‘State en-
7 tity’ means a State entity, as defined in
8 subparagraph (A), for a State.

9 “(ii) STATE.—As used in clause (i),
10 and notwithstanding section 3(7), the term
11 ‘State’, includes, in addition to the several
12 States of the United States, only the juris-
13 dictions specified in such section that have
14 a population of 200,000 or more, according
15 to the latest decennial census.

16 “(3) GENERAL AUTHORITY.—Using funds re-
17 served under section 104(b)(1)(B) and such portion
18 of any funds made available under section 104(b)(2)
19 as may be appropriate, the Chairperson, acting on
20 the recommendation of the National Council on the
21 Humanities, may, in accordance with the provisions
22 of this subsection, establish and carry out a program
23 of grants to assist State entities—

24 “(A) in paying for not more than 50 per-
25 cent of the cost (except as otherwise provided in

1 this subsection) of supporting activities that
2 achieve the objectives described in subpara-
3 graphs (A) through (F) of subsection (d)(2)
4 and in subparagraphs (A) and (B) of subsection
5 (e)(2); or

6 “(B) in matching contributions from non-
7 Federal sources made to a trust fund the pur-
8 pose of which is to provide long-term financial
9 support for such activities.

10 “(4) GRANTS THROUGH STATE AGENCIES.—

11 “(A) DESIGNATION.—In order to receive a
12 grant under this subsection for any fiscal year,
13 if a State desires to designate or to provide for
14 the establishment of a State agency (referred to
15 in this section as a ‘State agency’) as the sole
16 agency for the administration of the State plan
17 referred to in subparagraph (B) relating to the
18 grant, such State shall designate as the State
19 agency the humanities council or shall provide
20 for the establishment of such a council.

21 “(B) APPLICATION AND STATE PLAN.—In
22 any State that designates or provides for the
23 establishment of a State agency as described in
24 subparagraph (A), the chief executive officer of
25 the State shall submit, before the beginning of

1 each fiscal year, an application for a grant and
2 accompany such application with a State plan
3 that the Chairperson finds—

4 “(i) designates or provides for the es-
5 tablishment of a State agency;

6 “(ii) provides that the chief executive
7 officer of the State will appoint new mem-
8 bers to the State humanities council des-
9 ignated or established under subparagraph
10 (A), as vacancies occur as a result of the
11 expiration of the terms of members of such
12 council, until the chief executive officer has
13 appointed all of the members of such coun-
14 cil;

15 “(iii) provides for the expenditure,
16 from State funds, of an amount equal to
17 50 percent of the portion of the funding
18 received by such State through a grant
19 made under paragraph (6)(A) (relating to
20 the minimum State allotment), or 25 per-
21 cent of the total amount of funding re-
22 ceived by such State through grants made
23 under this subsection, whichever is greater,
24 for the fiscal year involved (except as oth-
25 erwise provided in paragraph (7));

1 “(iv) provides that funds paid to the
2 State under this subsection will be ex-
3 pended solely on activities, approved by the
4 State agency, that—

5 “(I) achieve the objectives de-
6 scribed in subparagraphs (A) through
7 (F) of subsection (d)(2) and subpara-
8 graphs (A) and (B) of subsection
9 (e)(2); and

10 “(II) are designed to bring the
11 humanities to the public;

12 “(v) provides assurances that State
13 funds will be made available for the pur-
14 pose of meeting the requirements of this
15 subparagraph;

16 “(vi) provides that the State agency
17 will make such reports, in such manner
18 and containing such information, as the
19 Chairperson may from time to time re-
20 quire, including a description of the
21 progress made toward achieving the objec-
22 tives of the State plan;

23 “(vii) provides—

24 “(I) an assurance that the State
25 agency has held, after reasonable no-

1 tice, public meetings in the State to
2 allow scholars, interested organiza-
3 tions, and the public to present views
4 and make recommendations regarding
5 the State plan; and

6 “(II) a summary of such rec-
7 ommendations and of the response of
8 the State agency to such recommenda-
9 tions; and

10 “(viii) contains—

11 “(I) for the most recent preced-
12 ing year for which information is
13 available, a description of the level of
14 participation by scholars and scholarly
15 organizations in activities supported
16 by funding from the State agency
17 under this subsection and a descrip-
18 tion of the extent to which the activi-
19 ties supported by funding from the
20 State agency under this subsection
21 were available to all people and com-
22 munities in the State; and

23 “(II) a description of activities
24 supported by funding from the State
25 agency under this subsection that

1 exist or are being developed to secure
2 wider participation of scholars and
3 scholarly organizations described in
4 subclause (I) or that address the
5 availability of the humanities to all
6 people or communities described in
7 subclause (I).

8 “(C) APPROVAL.—The Chairperson may
9 not approve an application described in sub-
10 paragraph (B) unless the accompanying State
11 plan satisfies the requirements specified in sub-
12 paragraph (B).

13 “(5) GRANTS TO APPROPRIATE ENTITIES.—

14 “(A) DESIGNATION.—In any State in
15 which the chief executive officer of the State
16 fails to submit an application under paragraph
17 (4)(B) for a fiscal year, the Chairperson may
18 make grants under paragraph (3) to an appro-
19 priate entity in the State, and each such entity
20 shall establish a procedure that ensures that 8
21 members of the governing body of such entity
22 shall be appointed by an appropriate officer or
23 agency of such State, except that in no event
24 may the number of such members exceed $\frac{1}{3}$ of
25 the total membership of such governing body.

1 The officer or agency shall select the members
2 from among individuals who have knowledge of
3 or experience in the humanities.

4 “(B) APPLICATION AND PLAN.—If a State
5 fails to submit an application under paragraph
6 (4)(B) for a fiscal year, any appropriate entity
7 in the State desiring to receive a grant under
8 this subsection for the fiscal year shall submit
9 an application for such grant at such time and
10 in such manner as shall be specified by the
11 Chairperson, and accompany such application
12 with a State plan that the Chairperson finds—

13 “(i) provides assurances that such en-
14 tity will comply with the requirements of
15 subparagraph (A);

16 “(ii) provides that funds paid to such
17 entity under this paragraph will be ex-
18 pended solely on activities that—

19 “(I) achieve the objectives de-
20 scribed in subparagraphs (A) through
21 (F) of subsection (d)(2) and subpara-
22 graphs (A) and (B) of subsection
23 (e)(2); and

24 “(II) are designed to bring the
25 humanities to the public;

1 “(iii) establishes a membership policy
2 that is designed to ensure broad public
3 representation with respect to activities ad-
4 ministered by such entity;

5 “(iv) provides for a nomination proc-
6 ess that ensures opportunities for nomina-
7 tion to membership in the governing body
8 from various groups in such State and
9 from a variety of segments of the popu-
10 lation of such State, including individuals
11 who by reason of their achievement, schol-
12 arship, or creativity in the humanities, are
13 especially qualified to serve as members of
14 the body;

15 “(v) provides for a membership rota-
16 tion process that ensures the regular rota-
17 tion of the membership and officers of
18 such entity;

19 “(vi) establishes reporting procedures
20 that are designed to inform the chief exec-
21 utive officer of such State, and other ap-
22 propriate officers and agencies, of the ac-
23 tivities of such entity;

1 “(vii) establishes procedures to ensure
2 public access to information relating to
3 such activities;

4 “(viii) provides that such entity will
5 make such reports, at such times, in such
6 manner, and containing such information,
7 as the Chairperson may require, including
8 a description of the progress made toward
9 achieving the objectives of the State plan;

10 “(ix) provides—

11 “(I) an assurance that the entity
12 has held, after reasonable notice, pub-
13 lic meetings in the State to allow
14 scholars, interested organizations, and
15 the public to present views and make
16 recommendations regarding the State
17 plan; and

18 “(II) a summary of such rec-
19 ommendations and of the response of
20 the entity to such recommendations;
21 and

22 “(x) contains—

23 “(I) for the most recent preced-
24 ing year for which information is
25 available, a description of the level of

1 participation by scholars and scholarly
 2 organizations in activities supported
 3 by funding from the entity under this
 4 subsection, and a description of the
 5 extent to which activities supported by
 6 funding from the entity under this
 7 subsection were available to all people
 8 and communities in the State; and

9 “(II) a description of activities
 10 supported by funding from the entity
 11 under this subsection that exist or are
 12 being developed to secure wider par-
 13 ticipation of scholars and scholarly or-
 14 ganizations described in subclause (I)
 15 or that address the availability of the
 16 humanities to all people or commu-
 17 nities described in subclause (I).

18 “(C) APPROVAL.—The Chairperson may
 19 not approve an application described in sub-
 20 paragraph (B) unless the accompanying plan
 21 satisfies the requirements specified in subpara-
 22 graph (B).

23 “(6) ALLOTMENTS.—

24 “(A) IN GENERAL.—Of the sums available
 25 to carry out this subsection for any fiscal year,

1 each State entity shall be allotted at least
2 \$200,000.

3 “(B) INSUFFICIENT SUMS.—If the sums
4 available to carry out this subsection for any
5 fiscal year are insufficient to make the allot-
6 ments under subparagraph (A) in full, such
7 sums shall be allotted so that each State entity
8 receives an equal amount.

9 “(C) EXCESS FUNDS.—In any case in
10 which the sums available to carry out this sub-
11 section for any fiscal year are in excess of the
12 amount required to make the allotments under
13 subparagraph (A)—

14 “(i) 34 percent of the amount of such
15 excess for such fiscal year shall be avail-
16 able to the Chairperson for making grants
17 under this subsection to State entities;

18 “(ii) 44 percent of the amount of such
19 excess for such fiscal year shall be allotted
20 so that each State entity receives an equal
21 amount; and

22 “(iii) the remainder of the amount of
23 such excess for such fiscal year shall be al-
24 lotted so that each State entity receives an
25 amount that bears the same ratio to such

1 remainder as the population of the State
2 for which the application is approved bears
3 to the population of all the States.

4 “(7) LIMITATIONS.—

5 “(A) FEDERAL SHARE.—

6 “(i) IN GENERAL.—Funding provided
7 through a grant made under this sub-
8 section to a State entity for any fiscal year
9 shall be available to each State entity that
10 has an application approved by the Chair-
11 person, and has the State plan accompany-
12 ing the application in effect on the first
13 day of such fiscal year, to pay not more
14 than 50 percent of the total cost of carry-
15 ing out any activity described in paragraph
16 (3).

17 “(ii) EXCESS PORTION.—Except as
18 provided in clause (iii), the portion of the
19 funding provided through any grant made
20 under paragraph (6)(A) to a State entity
21 for any fiscal year that exceeds \$125,000
22 shall be available, at the discretion of the
23 Chairperson, to pay not more than 100
24 percent of such cost of carrying out an ac-
25 tivity under this subsection if such activity

1 would be unavailable to the residents of
2 the State without such portion.

3 “(iii) PERCENTAGE OF GRANT
4 FUNDS.—The portion of the funding de-
5 scribed in clause (ii) for any fiscal year
6 that is available to pay not more than 100
7 percent of such cost, as described in clause
8 (ii), shall not exceed 20 percent of the total
9 of the funding provided through such grant
10 for such fiscal year.

11 “(B) PROHIBITION ON SUPPLANTING NON-
12 FEDERAL FUNDS.—Funds made available under
13 this subsection shall be used to supplement, and
14 shall not supplant, non-Federal funds expended
15 for supporting activities described in paragraph
16 (3).

17 “(8) UNOBLIGATED FUNDS.—Any amount al-
18 lotted to a State entity under paragraph (6) for any
19 fiscal year that is not obligated by the State entity
20 earlier than 60 days prior to the end of the fiscal
21 year for which the amount is appropriated shall be
22 available for making grants under subsection (d).

23 “(9) LIMITATION ON MULTIPLE ENTITIES.—
24 The Chairperson may not make grants under this
25 subsection to more than 1 entity in any State.

1 “(d) NATIONAL GRANTS.—

2 “(1) PURPOSE.—The purpose of this subsection
3 is to provide support for grants to groups, individ-
4 uals, and State agencies or entities to carry out ac-
5 tivities relating to education and the public human-
6 ities that have a national audience and are of na-
7 tional significance, such as activities relating to ele-
8 mentary, secondary, and postsecondary education in
9 the humanities, media projects, projects in museums
10 and by historical organizations, projects in libraries
11 and archives, public humanities projects, endowment
12 building, and technology activities.

13 “(2) GENERAL AUTHORITY.—Using funds re-
14 served under section 104(b)(1)(C) and such portion
15 of any funds made available under section 104(b)(2)
16 as may be appropriate, the Chairperson, acting on
17 the recommendation of the National Council on the
18 Humanities, may establish and carry out a program
19 of grants to groups or, in appropriate cases, individ-
20 uals who meet the standard of excellence in the hu-
21 manities and significance in the humanities, or State
22 agencies or entities to pay for the Federal share of
23 the cost of activities to—

1 “(A) develop and encourage the pursuit of
2 a national policy to further the public good
3 through public funding of the humanities;

4 “(B) initiate and support research and
5 programs to strengthen the research and teach-
6 ing potential of the United States in the hu-
7 manities;

8 “(C) foster the exchange of information in
9 the humanities;

10 “(D) foster education in, and public under-
11 standing and appreciation of, the humanities;

12 “(E) support projects that foster or pro-
13 mote literacy;

14 “(F) ensure that the benefit of the pro-
15 grams of the Endowment will also be available
16 to the citizens of the United States where such
17 programs would otherwise be unavailable due to
18 geographic or economic reasons;

19 “(G) enable cultural organizations and in-
20 stitutions to increase the levels of continuing
21 support and to increase the range of contribu-
22 tors to the program of such organizations or in-
23 stitutions;

24 “(H) provide administrative and manage-
25 ment improvements for cultural organizations

1 and institutions, particularly in the field of
2 long-range financial planning;

3 “(I) enable cultural organizations and in-
4 stitutions to increase audience participation in,
5 and appreciation of, programs sponsored by
6 such organizations and institutions;

7 “(J) develop new sources of long-term sup-
8 port for educational, scholarly, and public pro-
9 grams in the humanities, including renovating
10 or constructing facilities, augmenting or estab-
11 lishing endowment funds, and purchasing cap-
12 ital equipment to ensure financial stability;

13 “(K) stimulate greater cooperation among
14 cultural organizations and institutions especially
15 designed to serve better the communities in
16 which such organizations or institutions are lo-
17 cated; and

18 “(L) foster greater citizen involvement in
19 planning the cultural development of a commu-
20 nity.

21 “(3) FEDERAL SHARE REQUIREMENT.—

22 “(A) IN GENERAL.—Except as provided in
23 subparagraph (B), the Federal share described
24 in paragraph (2) shall be 50 percent.

1 “(B) ADJUSTMENT.—The Federal share of
2 the cost of activities described in paragraph
3 (2)(J) shall be 25 percent.

4 “(e) RESEARCH AND SCHOLARSHIP GRANTS.—

5 “(1) PURPOSE.—The purpose of this subsection
6 is to encourage the development and dissemination
7 of significant scholarship in the humanities by
8 groups, individuals, and State agencies or entities
9 such as fellowships for college and university faculty
10 and independent scholars, dissertation grants, sum-
11 mer stipends, and funds for scholarly publications,
12 reference materials, basic research, institutional pro-
13 grams, and preservation.

14 “(2) GENERAL AUTHORITY.—Using funds re-
15 served under section 104(b)(1)(D) and such portion
16 of any funds made available under section 104(b)(2)
17 as may be appropriate, the Chairperson, acting on
18 the recommendation of the National Council on the
19 Humanities, may establish and carry out a program
20 of grants to groups, individuals, State agencies, and
21 State entities for the purpose of paying for the Fed-
22 eral share of the cost of—

23 “(A) initiating and supporting (including
24 supporting through fellowships) training, work-
25 shops, programs, research, and publications, in

1 the humanities, that have substantial scholarly
2 and cultural significance and that reach or re-
3 flect the cultural heritage of the United States;

4 “(B) fostering projects that provide access
5 to, and preserving materials important to re-
6 search, education, and public understanding re-
7 garding, the humanities;

8 “(C) enabling cultural organizations and
9 institutions to increase the levels of continuing
10 support and to increase the range of contribu-
11 tors to the program of such organizations or in-
12 stitutions; and

13 “(D) providing administrative and manage-
14 ment improvements for cultural organizations
15 and institutions, particularly in the field of
16 long-range financial planning.

17 “(3) TRAINING; WORKSHOPS; RESEARCH.—A
18 fellowship awarded to an individual under paragraph
19 (2)(A) may be used for the purpose of supporting
20 study or research at an appropriate nonprofit insti-
21 tution selected by the individual, for a stated period
22 of time. The total amount of any grant under para-
23 graph (2)(A) to any group engaging in workshop ac-
24 tivities for which an admission or other charge is

1 made to the general public shall not exceed 30 per-
2 cent of the total cost of such activities.

3 “(4) CONSIDERATIONS.—In selecting a group
4 or individual as a recipient of a grant to be made
5 under this subsection, the Chairperson shall give
6 particular regard to scholars, and educational and
7 cultural institutions, that traditionally have been
8 underrepresented.

9 “(5) FEDERAL SHARE.—The Federal share de-
10 scribed in paragraph (2) shall be 50 percent.

11 **“SEC. 303. APPLICATION PROCEDURES.**

12 “To be eligible to receive a grant under this title, a
13 State, group, individual, agency, or organization shall sub-
14 mit an application to the Chairperson at such time, in
15 such manner, and containing such information as the
16 Chairperson may prescribe.

17 **“SEC. 304. REVIEW PANELS.**

18 “The Chairperson may select panels of experts under
19 section 307(a)(4) to review and make recommendations
20 with respect to the approval of applications for grants au-
21 thorized under this title. In selecting the panels, the Chair-
22 person shall appoint individuals who have exhibited exper-
23 tise and leadership in the field under review, who broadly
24 represent diverse humanistic perspectives and geographic
25 factors, and who broadly represent cultural diversity.

1 **“SEC. 305. NATIONAL COUNCIL ON THE HUMANITIES.**

2 “(a) ESTABLISHMENT.—There is established within
3 the Endowment a National Council on the Humanities (re-
4 ferred to in this section as the ‘Council’).

5 “(b) COMPOSITION.—

6 “(1) IN GENERAL.—The Council shall be com-
7 posed of the Chairperson of the Endowment, who
8 shall be the Chairperson of the Council, and 20
9 other members appointed by the President, by and
10 with the advice and consent of the Senate, who shall
11 be selected—

12 “(A) from among private citizens of the
13 United States who—

14 “(i) are recognized for their broad
15 knowledge of, or expertise in, the human-
16 ities; and

17 “(ii) have established records of dis-
18 tinguished service, or achieved eminence, in
19 the humanities;

20 “(B) so as to include scholars and others
21 who are professionally engaged in the human-
22 ities; and

23 “(C) so as collectively to provide an appro-
24 priate distribution of members among the major
25 humanities fields.

1 “(2) QUALIFICATIONS.—The President may, in
2 making such appointments, give consideration to
3 such recommendations as may, from time to time, be
4 submitted to the President by leading national orga-
5 nizations in the major humanities fields. In making
6 such appointments, the President shall give due re-
7 gard to equitable representation of women, racially
8 and ethnically diverse individuals, and individuals
9 with disabilities, who are involved in the humanities.
10 Members of the Council shall be appointed so as to
11 represent equitably geographical areas in the United
12 States.

13 “(c) TERMS.—

14 “(1) IN GENERAL.—

15 “(A) STAGGERED TERMS.—Each member
16 of the Council shall serve for a term of 6 years,
17 and the terms shall be staggered.

18 “(B) EXPIRATION.—Except as provided in
19 paragraph (2), the terms of all Council mem-
20 bers shall expire on the third day of September
21 in the year of expiration.

22 “(C) REAPPOINTMENT AFTER PARTIAL
23 TERM.—Each member who has served on the
24 Council for 1 term of less than 3 years shall be
25 eligible for reappointment for 1 term of 6 years.

1 “(D) VACANCY APPOINTMENTS.—Any
 2 member appointed to fill a vacancy shall serve
 3 for the remainder of the term for which the
 4 predecessor of the member was appointed.

5 “(E) HOLDOVER SERVICE.—Notwithstand-
 6 ing any other provision of this subsection, a
 7 member of the Council shall serve after the ex-
 8 piration of the term of the member until the
 9 successor to the member takes office.

10 “(2) ADJUSTMENT TO REDUCE COUNCIL.—

11 “(A) EXPIRATION OF TERMS.—The terms
 12 of—

13 “(i) 8 members of the Council whose
 14 terms would otherwise expire on September
 15 3, 1996; and

16 “(ii) 1 member of the Council whose
 17 term expired on September 3, 1995;
 18 shall be deemed to expire on January 1, 1996.

19 “(B) TERMS.—The President shall appoint
 20 3 members of the Council to succeed members
 21 whose terms are deemed to expire as described
 22 in subparagraph (A). The terms of the succes-
 23 sors shall expire on September 3, 2002.

24 “(d) COMPENSATION.—Members of the Council shall
 25 receive compensation at a rate to be fixed by the Chair-

1 person but not to exceed the daily equivalent of the maxi-
2 mum rate authorized for a position above grade GS-15
3 of the General Schedule under section 5108 of title 5,
4 United States Code, and be allowed travel expenses includ-
5 ing per diem in lieu of subsistence, as authorized under
6 section 5703 of title 5, United States Code, for persons
7 employed intermittently in Federal Government service.

8 “(e) MEETINGS AND DUTIES.—

9 “(1) MEETINGS.—The Council shall meet at
10 the call of the Chairperson but not less often than
11 twice during each calendar year. Eleven members of
12 the Council shall constitute a quorum.

13 “(2) DUTIES.—The Council shall—

14 “(A) advise the Chairperson with respect
15 to policies, programs, and procedures for carry-
16 ing out the functions of the Chairperson under
17 this title; and

18 “(B) review applications for grants author-
19 ized under this title and make recommendations
20 to the Chairperson with respect to the approval
21 of each application.

22 “(f) ACTIONS BY CHAIRPERSON.—

23 “(1) IN GENERAL.—The Chairperson shall not
24 approve or disapprove any application for a grant
25 authorized under this title until the Chairperson has

1 received the recommendation of the Council on such
 2 application, unless the Council fails to make a rec-
 3 ommendation on the application within a reasonable
 4 time.

5 “(2) DELEGATIONS.—In the case of an applica-
 6 tion submitted under this title and involving \$30,000
 7 or less, the Chairperson may approve or disapprove
 8 such application if such action is taken pursuant to
 9 the terms of an express and direct delegation of au-
 10 thority from the Council to the Chairperson, and if
 11 each such action by the Chairperson is reviewed by
 12 the Council. The terms of any such delegation of au-
 13 thority shall not permit obligations for expenditure
 14 of funds under such delegation for any fiscal year
 15 that exceed an amount equal to 3 percent of the
 16 sums appropriated for the fiscal year pursuant to
 17 section 104(b)(1).

18 **“SEC. 306. LIMITATIONS ON GRANTS.**

19 “(a) CRITERIA FOR ELIGIBILITY FOR GRANTS.—

20 “(1) DEFINITIONS.—As used in this subsection:

21 “(A) PRODUCTION ENTITY.—The term
 22 ‘production entity’ means any partnership, cor-
 23 poration, business enterprise, or other organiza-
 24 tion engaged in the production of a film or pub-
 25 lication.

1 “(B) GROUP.—The term ‘group’ includes
2 any State or local government, State or local
3 public agency, Indian tribe, or nonprofit asso-
4 ciation, organization, or society.

5 “(C) NATIONAL OF THE UNITED
6 STATES.—The term ‘national of the United
7 States’ means a citizen of the United States or
8 a person who owes permanent allegiance to the
9 United States.

10 “(2) CRITERIA.—The Chairperson, with the ad-
11 vice of the National Council on the Humanities,
12 shall establish criteria for eligibility for grants made
13 under this title. The criteria shall provide the follow-
14 ing:

15 “(A) GROUP.—A group shall be eligible to
16 receive a grant under this title if—

17 “(i) no part of the net earnings of the
18 group inures to the benefit of any private
19 stockholder, or individual; and

20 “(ii) a donation to such group is al-
21 lowable as a charitable contribution under
22 section 170(c) of the Internal Revenue
23 Code of 1986.

24 “(B) PRODUCTION ENTITY.—A production
25 entity shall be eligible to receive a grant under

1 this title if the Chairperson, with the advice of
2 the National Council on the Humanities, deter-
3 mines that providing such a grant will signifi-
4 cantly advance the knowledge or understanding
5 of the humanities in the United States.

6 “(C) INDIVIDUAL.—An individual shall be
7 eligible to receive a grant under this title if—

8 “(i) the individual is a citizen or na-
9 tional of the United States; and

10 “(ii) the Chairperson, with the advice
11 of the National Council on the Humanities,
12 determines that providing the grant will
13 significantly advance the knowledge or
14 understanding of the humanities in the
15 United States.

16 “(b) ADMISSION CHARGES.—No grant shall be made
17 under this title to an activity (other than an activity con-
18 ducted by a school, college, or university) for which a di-
19 rect or an indirect admission charge is requested if the
20 proceeds, after deducting reasonable costs, are used for
21 purposes other than assisting the grant recipient to de-
22 velop high standards of scholarly excellence or encourage
23 greater appreciation of the humanities by the citizens of
24 the United States.

1 “(c) LABOR STANDARDS.—The provisions of section
2 206(d) shall apply to activities financed under this title
3 in the same manner and to the same extent as the provi-
4 sions apply to activities financed under title II.

5 **“SEC. 307. ADMINISTRATIVE PROVISIONS.**

6 “(a) AUTHORITIES OF CHAIRPERSON.—In addition
7 to any authorities vested in the Chairperson by other pro-
8 visions of this Act, the Chairperson, in carrying out the
9 functions of the Chairperson, shall have authority—

10 “(1) to prescribe such regulations and proce-
11 dures as the Chairperson determines to be necessary
12 governing the manner in which the functions of the
13 Chairperson shall be carried out;

14 “(2)(A) to solicit, accept, receive, invest, and
15 use money and other property donated, bequeathed,
16 or devised to the Endowment, either absolutely or in
17 trust, with or without a condition or restriction, in-
18 cluding a condition that the Chairperson use other
19 funds of the Endowment for the purposes of the do-
20 nation, bequest, or devise; and

21 “(B) to add such property to the appropriations
22 for the Endowment as provided in section 104(b)(2),
23 and to use, sell, or otherwise dispose of such prop-
24 erty, for purposes of carrying out the activities of
25 the Endowment under this title;

1 “(3) to appoint and determine the compensa-
2 tion of such employees, subject to title 5, United
3 States Code, as may be necessary to carry out the
4 functions of the Chairperson, define their duties,
5 and supervise and direct their activities;

6 “(4) to procure the temporary and intermittent
7 services of experts and consultants, including panels
8 of experts, and compensate the experts and consult-
9 ants in accordance with section 3109 of title 5,
10 United States Code;

11 “(5) to accept and utilize the voluntary services
12 of individuals and reimburse the individuals for trav-
13 el expenses, including per diem in lieu of subsist-
14 ence, in the same amounts and to the same extent
15 as authorized under section 5703 of title 5, United
16 States Code, for persons employed intermittently in
17 Federal Government service;

18 “(6) to make advance, progress, and other pay-
19 ments without regard to section 3324 of title 331,
20 United States Code;

21 “(7) to rent office space in the District of Co-
22 lumbia; and

23 “(8) to make other necessary expenditures.

24 “(b) PUBLICATIONS.—Official publications of the En-
25 dowment under this title may be supported without regard

1 to the provisions of section 501 of title 44, United States
2 Code, if the Chairperson consults with the Joint Commit-
3 tee on Printing of the Congress.

4 “(c) COORDINATION.—The Chairperson shall coordi-
5 nate the programs of the Endowment, insofar as prac-
6 ticable, with other Federal programs, programs of des-
7 ignated State humanities agencies, and programs under-
8 taken by other public agencies or private groups, and shall
9 develop the programs of the Endowment with due regard
10 to the contribution to the objectives of this title that can
11 be made by other Federal agencies under the existing pro-
12 grams. The Chairperson may enter into interagency agree-
13 ments to promote or assist with the humanities-related ac-
14 tivities of other Federal agencies, on a reimbursable or
15 nonreimbursable basis, and may use funds authorized to
16 be appropriated to carry out this title to pay for the costs
17 of such promotion or assistance.

18 **“SEC. 308. REPORTS.**

19 “(a) ANNUAL REPORT OF CHAIRPERSON.—The
20 Chairperson shall submit an annual report to the Presi-
21 dent for submission to the appropriate committees of Con-
22 gress on or before the 15th day of April of each year. The
23 report shall summarize the activities of the Endowment
24 for the preceding year, and may include such evaluations

1 and other reports as the Chairperson determines to be ap-
 2 propriate.

3 “(b) STATE OF THE HUMANITIES REPORT.—

4 “(1) IN GENERAL.—The Chairperson shall use
 5 data submitted with State plans under section
 6 302(c), and the information contained in reports
 7 submitted by States under section 302(c) or this sec-
 8 tion, to prepare a report on the state of the human-
 9 ities in the United States.

10 “(2) CONTENTS.—The state of the humanities
 11 report shall include a description of—

12 “(A) the availability of the programs of the
 13 Endowment to emerging, rural, and culturally
 14 diverse scholars, cultural and educational orga-
 15 nizations, and communities; and

16 “(B) the participation by such scholars, or-
 17 ganizations, and communities in such programs.

18 “(3) SUBMISSION.—The state of the humanities
 19 report shall be submitted to the President and Con-
 20 gress, and provided to the States, not later than Oc-
 21 tober 1, 1996, and quadrennially thereafter.

22 “(c) FINANCIAL REPORTS AND COMPLIANCE.—

23 “(1) IN GENERAL.—It shall be a condition of
 24 the receipt of a grant made under this title by the
 25 Chairperson that each such grant recipient agree to

1 and comply with requirements to submit to the
2 Chairperson—

3 “(A) financial reports containing such in-
4 formation as the Chairperson determines to be
5 necessary to ensure that the funding provided
6 through the grant is expended in accordance
7 with the terms and conditions under which the
8 grant is made;

9 “(B) a report describing the activity car-
10 ried out with the funding provided through the
11 grant and the compliance by the grant recipient
12 with the conditions of receipt of such grant, in-
13 cluding the condition that the work assisted
14 meet the standards of excellence in humanities
15 and significance in the humanities; and

16 “(C) if practicable, as determined by the
17 Chairperson, a copy of the work resulting from
18 the activity.

19 “(2) REPORTS.—The reports and copy de-
20 scribed in paragraph (1) shall be due not later than
21 90 days after the end of the period for which such
22 grant recipient receives funding through the grant or
23 90 days after the completion of the work, whichever
24 occurs earlier. The Chairperson may extend the 90-

1 day period if the recipient shows good cause why
2 such an extension should be granted.

3 “(d) EVALUATION.—The Chairperson shall conduct
4 a post-award evaluation of activities for which grants are
5 made by the Chairperson under this title. Such evaluation
6 may include an audit to determine the accuracy of the re-
7 ports required to be submitted by grant recipients under
8 subsection (c).

9 “(e) ANNUAL REPORT OF NATIONAL COUNCIL ON
10 THE HUMANITIES.—

11 “(1) IN GENERAL.—The National Council on
12 the Humanities shall submit an annual report to the
13 President for submission to the appropriate commit-
14 tees of Congress on or before the 15th day of April
15 of each year.

16 “(2) CONTENTS.—The report shall include writ-
17 ten records summarizing—

18 “(A) all meetings and discussions of the
19 Council; and

20 “(B) recommendations made by the Coun-
21 cil to the Chairperson.

22 “(3) PRIVACY.—The Council shall ensure that
23 the information contained in the report will be pre-
24 sented in a manner that protects the privacy of indi-

1 vidual applicants for grants authorized under this
2 title and Council members.

3 **“SEC. 309. SANCTIONS AND PAYMENTS.**

4 “(a) FAILURE TO SATISFY PURPOSES.—If any recip-
5 ient of a grant made under this title, or an indirect recipi-
6 ent of funding provided through the grant, substantially
7 fails to satisfy the purposes for which such grant is made,
8 as determined by the Chairperson, the Chairperson may—

9 “(1) for purposes of determining whether to
10 make any subsequent funding to the direct or indi-
11 rect recipient under this title, take into consideration
12 the results of the post-award evaluation conducted
13 under section 308(d);

14 “(2) prohibit the direct and indirect recipients
15 from using the name of, or in any way associating
16 the project, production, or workshop for which the
17 grant was received with, the Endowment; and

18 “(3) if such project, production, or workshop is
19 published, require that the publication contain the
20 following statement: ‘The opinions, findings, conclu-
21 sions, and recommendations expressed in this publi-
22 cation do not reflect the views of the National En-
23 dowment for the Humanities.’.

24 “(b) NONCOMPLIANCE.—

1 “(1) IN GENERAL.—The Chairperson shall take
2 the actions described in paragraph (2) whenever the
3 Chairperson, after providing reasonable notice and
4 an opportunity for hearing, finds that—

5 “(A) a direct recipient of a grant under
6 this title, or an indirect recipient of funding
7 provided through the grant, is not complying
8 substantially with the provisions of this title;

9 “(B) a State agency that received a grant
10 under this title, or an indirect recipient of fund-
11 ing provided through the grant, is not comply-
12 ing substantially with terms and conditions of
13 the State plan accompanying the application
14 approved for the grant under this title; or

15 “(C) any funding provided under this title
16 to a recipient or State agency described in sub-
17 paragraph (A) or (B) has been diverted from
18 the purposes for which such funding was pro-
19 vided.

20 “(2) ACTIONS.—On making the finding de-
21 scribed in paragraph (1), the Chairperson shall im-
22 mediately notify the direct recipient or State agency
23 that received the funding at issue that—

24 “(A) no further funding will be provided
25 under this title to such recipient or agency until

1 there is no longer any default or failure to com-
2 ply or the diversion is corrected; or

3 “(B) if compliance or correction is impos-
4 sible, until such recipient or agency repays or
5 arranges the repayment of the Federal funds
6 that were improperly diverted or expended.

7 “(c) PROGRAM INCOME.—

8 “(1) IN GENERAL.—A recipient of funding
9 under this title shall pay the amount described in
10 paragraph (2) to the Endowment if the Chairperson
11 finds that the recipient has derived program income
12 from the activities funded that exceeds the lesser
13 of—

14 “(A) \$50,000; or

15 “(B) twice the amount of the funding.

16 “(2) AMOUNT.—The amount referred to in
17 paragraph (1) is $\frac{1}{3}$ of the amount of the revenue,
18 but not more than the amount of the funding.

19 “(d) ACCOUNT.—Except as otherwise provided in this
20 Act, the Treasurer of the United States shall deposit funds
21 paid under subsection (c), or repaid under this Act, in a
22 special interest bearing account to the credit of the En-
23 dowment.

1 **“SEC. 310. AWARDS.**

2 “The Chairperson, with the advice of the National
3 Council on the Humanities, may make the following an-
4 nual awards:

5 “(1) JEFFERSON LECTURE IN THE HUMANITIES
6 AWARD.—The Chairperson may award annually the
7 Jefferson Lecture in the Humanities Award to 1 in-
8 dividual for distinguished intellectual achievement in
9 the humanities. Each such award shall not exceed
10 \$10,000.

11 “(2) CHARLES FRANKEL PRIZE.—The Chair-
12 person may award annually the Charles Frankel
13 Prize to honor individuals who have made outstand-
14 ing contributions to the public understanding of the
15 humanities. Not more than 5 individuals may receive
16 such prize each year. Each such prize shall not ex-
17 ceed \$5,000.”.

18 **SEC. 102. CONFORMING AMENDMENTS.**

19 Section 8G of the Inspector General Act of 1978 (5
20 U.S.C. App.) is amended—

21 (1) in subsection (a)—

22 (A) in paragraph (2), by striking “the Na-
23 tional Endowment for the Arts, the National
24 Endowment for the Humanities,” and inserting
25 “the portion of the National Foundation on the
26 Arts and the Humanities consisting of the Na-

1 tional Endowment for the Arts and the Na-
2 tional Endowment for the Humanities,”; and

3 (B) in paragraph (4), by striking “except
4 that” and all that follows and inserting the fol-
5 lowing: “except that—

6 “(A) with respect to the National Science
7 Foundation, such term means the National
8 Science Board; and

9 “(B) with respect to the National Endow-
10 ment for the Arts and the National Endowment
11 for the Humanities, the term means the Chair-
12 person of the National Endowment for the Arts
13 with respect to matters relating to the National
14 Endowment for the Arts and the Chairperson of
15 the National Endowment for the Humanities
16 with respect to matters relating to the Chair-
17 person of the National Endowment for the Hu-
18 manities;”;

19 (2) in subsection (c), by inserting before the pe-
20 riod the following: “, except that the Inspector Gen-
21 eral for the National Endowment for the Arts and
22 the National Endowment for the Humanities shall
23 be jointly appointed by the Chairperson of the Na-
24 tional Endowment for the Arts and the Chairperson

1 of the National Endowment for the Humanities”;
 2 and

3 (3) in the first sentence of subsection (d), by in-
 4 serting before the period the following: “, except as
 5 provided in section 103 of the National Foundation
 6 on the Arts and the Humanities Act of 1965”.

7 **TITLE II—MUSEUM AND**
 8 **LIBRARY SERVICES ACT**

9 **SEC. 201. MUSEUM AND LIBRARY SERVICES.**

10 The Museum Services Act (20 U.S.C. 961 et seq.)
 11 is amended to read as follows:

12 **“TITLE II—MUSEUM AND**
 13 **LIBRARY SERVICES**

14 **“Subtitle A—General Provisions**

15 **“SEC. 201. SHORT TITLE.**

16 “This title may be cited as the ‘Museum and Library
 17 Services Act’.

18 **“SEC. 202. GENERAL DEFINITIONS.**

19 “As used in this title:

20 “(1) COMMISSION.—The term ‘Commission’
 21 means the National Commission on Libraries and
 22 Information Science established under section 3 of
 23 the National Commission on Libraries and Informa-
 24 tion Science Act (20 U.S.C. 1502).

1 “(2) DIRECTOR.—The term ‘Director’ means
2 the Director of the Institute appointed under section
3 204.

4 “(3) FOUNDATION.—The term ‘Foundation’
5 means the National Foundation on the Arts and the
6 Humanities.

7 “(4) INSTITUTE.—The term ‘Institute’ means
8 the Institute of Museum and Library Services estab-
9 lished under section 203.

10 “(5) MUSEUM BOARD.—The term ‘Museum
11 Board’ means the National Museum Services Board
12 established under section 276.

13 **“SEC. 203. INSTITUTE OF MUSEUM AND LIBRARY SERVICES.**

14 “(a) ESTABLISHMENT.—There is established within
15 the Foundation an Institute of Museum and Library Serv-
16 ices.

17 “(b) OFFICES.—The Institute shall consist of an Of-
18 fice of Museum Services and an Office of Library Services.
19 There shall be a National Museum Services Board in the
20 Office of Museum Services.

21 **“SEC. 204. DIRECTOR OF THE INSTITUTE.**

22 “(a) APPOINTMENT.—

23 “(1) IN GENERAL.—The Institute shall be
24 headed by a Director, appointed by the President, by
25 and with the advice and consent of the Senate.

1 “(2) TERM.—The Director shall serve for a
2 term of 4 years.

3 “(3) QUALIFICATIONS.—Beginning with the
4 first individual appointed to the position of Director
5 after the date of enactment of the Arts, Humanities,
6 and Museum Amendments of 1995, every second in-
7 dividual so appointed shall be appointed from among
8 individuals who have special competence with regard
9 to library and information services. Beginning with
10 the second individual appointed to the position of
11 Director after the date of enactment of the Arts,
12 Humanities, and Museum Amendments of 1995,
13 every second individual so appointed shall be ap-
14 pointed from among individuals who have special
15 competence with regard to museum services.

16 “(b) COMPENSATION.—The Director shall be com-
17 pensated at the rate provided for level III of the Executive
18 Schedule under section 5314 of title 5, United States
19 Code.

20 “(c) DUTIES AND POWERS.—The Director shall per-
21 form such duties and exercise such powers as may be pre-
22 scribed by law, including—

23 “(1) awarding financial assistance for activities
24 described in this title; and

1 “(2) using not less than 5 percent and not more
2 than 7 percent of the funds made available under
3 this title for each fiscal year to award financial as-
4 sistance for projects that involve both—

5 “(A) activities relating to library services,
6 as described in subtitle B, carried out in ac-
7 cordance with such subtitle; and

8 “(B) activities relating to museum services,
9 as described in subtitle C, carried out in accord-
10 ance with such subtitle.

11 “(d) NONDELEGATION.—The Director shall not dele-
12 gate any of the functions of the Director to any person
13 who is not directly responsible to the Director.

14 “(e) COORDINATION.—The Director shall ensure co-
15 ordination of the policies and activities of the Institute
16 with the policies and activities of other agencies and of-
17 fices of the Federal Government having interest in and
18 responsibilities for the improvement of museums and li-
19 braries. Such agencies and offices shall include the Na-
20 tional Endowment for the Arts, the National Endowment
21 for the Humanities, the National Science Foundation, ap-
22 propriate units in the Department of Education, the Li-
23 brary of Congress, the Smithsonian Institution, and relat-
24 ed agencies and offices.

1 **“SEC. 205. DEPUTY DIRECTORS.**

2 “(a) APPOINTMENT.—The Office of Library Services
3 shall be headed by a Deputy Director, who shall be ap-
4 pointed by the Director. The Office of Museum Services
5 shall be headed by a Deputy Director, who shall be ap-
6 pointed by the Director.

7 “(b) COMPENSATION.—Each such position of Deputy
8 Director shall be a Senior Executive Service position,
9 which shall be paid at a rate of pay for a position at ES-
10 1 of the Senior Executive Service schedule.

11 **“SEC. 206. PERSONNEL.**

12 “(a) IN GENERAL.—The Director may, in accordance
13 with applicable provisions of title 5, United States Code,
14 appoint and determine the compensation of such employ-
15 ees as the Director determines to be necessary to carry
16 out the duties of the Institute.

17 “(b) VOLUNTARY SERVICES.—The Director may ac-
18 cept and utilize the voluntary services of individuals and
19 reimburse the individuals for travel expenses, including
20 per diem in lieu of subsistence, in the same amounts and
21 to the same extent as authorized under section 5703 of
22 title 5, United States Code, for persons employed intermit-
23 tently in Federal Government service.

24 **“SEC. 207. CONTRIBUTIONS.**

25 “The Institute shall have authority to solicit, accept,
26 receive, and invest in the name of the United States, gifts,

1 bequests, or devises of money and other property or serv-
 2 ices and to use such property or services in furtherance
 3 of the functions of the Institute. Any proceeds from such
 4 gifts, bequests, or devises, after acceptance by the Insti-
 5 tute, shall be paid by the donor or the representative of
 6 the donor to the Director. The Director shall enter the
 7 proceeds in a special interest bearing account to the credit
 8 of the Institute for the purposes in each case specified.

9 **“Subtitle B—Library Services and** 10 **Technology**

11 **“SEC. 211. SHORT TITLE.**

12 “This subtitle may be cited as the ‘Library Services
 13 and Technology Act’.

14 **“SEC. 212. STATEMENT OF PURPOSE; RECOGNITION OF** 15 **NEED.**

16 “(a) STATEMENT OF PURPOSE.—The purposes of
 17 this subtitle are as follows:

18 “(1) To stimulate excellence and promote equity
 19 and lifelong access to learning and information re-
 20 sources in all types of libraries.

21 “(2) To combine the ability of the Federal Gov-
 22 ernment to stimulate significant improvement and
 23 innovation in library services with support at State
 24 and local levels, and with cooperative programs with
 25 other agencies and with public and private sector

1 partnerships, to achieve national library service
2 goals.

3 “(3) To establish national library service goals
4 for the 21st century. Such goals are that every per-
5 son in America will be served by a library that—

6 “(A) provides all users access to informa-
7 tion through regional, State, national and inter-
8 national electronic networks;

9 “(B) contributes to a productive workforce,
10 and to economic development, by providing re-
11 sources and services designed to meet local
12 community needs;

13 “(C) provides a full range of resources and
14 programs to develop reading and critical think-
15 ing skills for children and adults;

16 “(D) provides targeted services to people
17 of diverse geographic, cultural and socio-
18 economic backgrounds, to individuals with dis-
19 abilities, and to people with limited functional
20 literacy or information skills; and

21 “(E) provides adequate hours of operation,
22 facilities, staff, collections, and electronic access
23 to information.

24 “(b) RECOGNITION OF NEED.—The Congress recog-
25 nizes that strong library services are essential to empower

1 people to succeed in our Nation’s increasingly global and
2 technological environment.

3 **“SEC. 213. DEFINITIONS.**

4 “As used in this subtitle:

5 “(1) INDIAN TRIBE.—The term ‘Indian tribe’
6 means any tribe, band, nation, or other organized
7 group or community, including any Alaskan native
8 village, regional corporation, or village corporation,
9 as defined in or established pursuant to the Alaskan
10 Native Claims Settlement Act, which is recognized
11 by the Secretary of the Interior as eligible for the
12 special programs and services provided by the
13 United States to Indians because of their status as
14 Indians.

15 “(2) LIBRARY CONSORTIA.—The term ‘library
16 consortia’ means any local, statewide, regional, inter-
17 state, or international cooperative association of li-
18 brary entities which provides for the systematic and
19 effective coordination of the resources of school, pub-
20 lic, academic, and special libraries and information
21 centers for improved services for their clientele.

22 “(3) LIBRARY ENTITY.—The term ‘library en-
23 tity’ means a library that performs all activities of
24 a library relating to the collection and organization
25 of library materials and other information and that

1 makes the materials and information publicly avail-
2 able. Such term includes State library administrative
3 agencies and the libraries, library related entities,
4 cooperatives, and consortia through which library
5 services are made publicly available.

6 “(4) PUBLIC LIBRARY.—The term ‘public li-
7 brary’ means a library that serves free of charge all
8 residents of a community, district, or region, and re-
9 ceives its financial support in whole or in part from
10 public funds. Such term also includes a research li-
11 brary, which, for the purposes of this sentence,
12 means a library, which—

13 “(A) makes its services available to the
14 public free of charge;

15 “(B) has extensive collections of books,
16 manuscripts, and other materials suitable for
17 scholarly research which are not available to the
18 public through public libraries;

19 “(C) engages in the dissemination of hu-
20 manistic knowledge through services to readers,
21 fellowships, educational and cultural programs,
22 publications of significant research, and other
23 activities; and

24 “(D) is not an integral part of an institu-
25 tion of higher education.

1 “(5) STATE.—The term ‘State’, unless other-
2 wise specified, includes the several States of the
3 United States, the District of Columbia, the Com-
4 monwealth of Puerto Rico, Guam, American Samoa,
5 the Virgin Islands, the Commonwealth of the North-
6 ern Mariana Islands, the Republic of the Marshall
7 Islands, the Federated States of Micronesia, and the
8 Republic of Palau.

9 “(6) STATE ADVISORY COUNCIL.—The term
10 ‘State advisory council’ means an advisory council
11 established pursuant to section 252.

12 “(7) STATE LIBRARY ADMINISTRATIVE AGEN-
13 CY.—The term ‘State library administrative agency’
14 means the official agency of a State charged by law
15 of that State with the extension and development of
16 public library services throughout the State, which
17 has adequate authority under law of the State to ad-
18 minister the State plan in accordance with the provi-
19 sions of this subtitle.

20 “(8) STATE PLAN.—The term ‘State plan’
21 means the document which gives assurances that the
22 officially designated State library administrative
23 agency has the fiscal and legal authority and capa-
24 bility to administer all aspects of this subtitle, pro-
25 vides assurances for establishing the State’s policies,

1 priorities, criteria, and procedures necessary to the
 2 implementation of all programs under this subtitle,
 3 submits copies for approval as required by regula-
 4 tions promulgated by the Director, and identifies a
 5 State's library needs and sets forth the activities to
 6 be taken toward meeting the identified needs sup-
 7 ported with the assistance of Federal funds made
 8 available under this subtitle.

9 **"SEC. 214. AUTHORIZATION OF APPROPRIATIONS.**

10 "(a) AUTHORITY.—

11 "(1) IN GENERAL.—There are authorized to be
 12 appropriated to the Secretary of Education—

13 "(A) for the purpose of awarding grants
 14 under subchapter A of chapter 2 and for relat-
 15 ed administrative expenses, \$75,000,000 for fis-
 16 cal year 1996, and such sums as may be nec-
 17 essary for each of the 4 succeeding fiscal years;
 18 and

19 "(B) for the purpose of awarding grants
 20 under subchapter B of chapter 2 and for relat-
 21 ed administrative expenses, \$75,000,000 for fis-
 22 cal year 1996, and such sums as may be nec-
 23 essary for each of the 4 succeeding fiscal years.

24 "(2) TRANSFER.—The Secretary of Education
 25 shall transfer any funds appropriated under the au-

1 thority of paragraph (1) to the Director to enable
2 the Director to carry out this subtitle.

3 “(b) JOINT PROJECTS.—Not less than 5 percent and
4 not more than 7 percent of the funds appropriated under
5 this section for a fiscal year may be made available for
6 projects described in section 204(c)(2) for the fiscal year.

7 “(c) ADMINISTRATION.—Not more than 10 percent
8 of the funds appropriated under this section for a fiscal
9 year may be used to pay for the administrative costs of
10 carrying out this subtitle.

11 **“CHAPTER 1—BASIC PROGRAM** 12 **REQUIREMENTS**

13 **“SEC. 221. RESERVATIONS AND ALLOTMENTS.**

14 “(a) RESERVATIONS.—From the amount appro-
15 priated under the authority of section 214(a) for any fiscal
16 year, the Director—

17 “(1) shall reserve 2 percent to award grants in
18 accordance with section 261; and

19 “(2) shall reserve 8 percent to carry out a na-
20 tional leadership program in library science in ac-
21 cordance with section 262.

22 “(b) ALLOTMENTS.—

23 “(1) IN GENERAL.—From the sums appro-
24 priated under the authority of section 214(a) and
25 not reserved under subsection (a) for any fiscal year,

1 the Director shall allot the minimum allotment, as
2 determined under paragraph (3), to each State. Any
3 sums remaining after minimum allotments have been
4 made for such year shall be allotted in the manner
5 set forth in paragraph (2).

6 “(2) REMAINDER.—From the remainder of any
7 sums appropriated under the authority of section
8 214(a) that are not reserved under subsection (a)
9 and not allotted under paragraph (1) for any fiscal
10 year, the Director shall allot to each State an
11 amount that bears the same relation to such remain-
12 der as the population of the State bears to the popu-
13 lation of all the States.

14 “(3) MINIMUM ALLOTMENT.—

15 “(A) IN GENERAL.—For the purposes of
16 this subsection, the minimum allotment shall
17 be—

18 “(i) with respect to appropriations for
19 the purposes of subchapter A of chapter 2,
20 \$200,000 for each State, except that the
21 minimum allotment shall be \$40,000 in the
22 case of Guam, American Samoa, the Virgin
23 Islands, the Commonwealth of the North-
24 ern Mariana Islands, the Republic of the

1 Marshall Islands, the Federated States of
2 Micronesia, and the Republic of Palau; and
3 “(ii) with respect to appropriations for
4 the purposes of subchapter B of chapter 2,
5 \$200,000 for each State, except that the
6 minimum allotment shall be \$40,000 in the
7 case of Guam, American Samoa, the Virgin
8 Islands, the Commonwealth of the North-
9 ern Mariana Islands, the Republic of the
10 Marshall Islands, the Federated States of
11 Micronesia, and the Republic of Palau.

12 “(B) RATABLE REDUCTIONS.—If the sums
13 appropriated under the authority of section
14 214(a) and not reserved under subsection (a)
15 for any fiscal year are insufficient to fully sat-
16 isfy the aggregate of the minimum allotments
17 for all States for that purpose for such year,
18 each of such minimum allotments shall be re-
19 duced ratably.

20 “(4) DATA.—The population of each State and
21 of all the States shall be determined by the Director
22 on the basis of the most recent data available from
23 the Bureau of the Census.

1 **“SEC. 222. ADMINISTRATION AND EVALUATION.**

2 “(a) IN GENERAL.—Not more than 5 percent of the
3 total funds received under this subtitle for any fiscal year
4 by a State may be used for administration and ongoing
5 State evaluations under section 251.

6 “(b) CONSTRUCTION.—Nothing in this section shall
7 be construed to limit spending for evaluation costs under
8 section 251 from sources other than this subtitle.

9 **“SEC. 223. PAYMENTS; FEDERAL SHARE; AND MAINTENANCE OF EFFORT REQUIREMENTS.**

11 “(a) PAYMENTS.—The Director shall pay to each
12 State library administrative agency having a State plan
13 approved under section 224 the Federal share of the cost
14 of the activities described in the State plan.

15 “(b) FEDERAL SHARE.—

16 “(1) IN GENERAL.—Except as provided in para-
17 graph (3), the Federal share shall be 50 percent.

18 “(2) NON-FEDERAL SHARE.—The non-Federal
19 share of payments shall be provided from non-Fed-
20 eral State or local sources.

21 “(3) SPECIAL RULE.—The Federal share—

22 “(A) for the Commonwealth of Puerto
23 Rico, Guam, American Samoa, the Virgin Is-
24 lands, and the Commonwealth of the Northern
25 Mariana Islands, shall be 66 percent; and

1 “(B) for the Republic of the Marshall Is-
2 lands, the Federated States of Micronesia, and
3 the Republic of Palau, shall be 100 percent.

4 “(c) MAINTENANCE OF EFFORT.—

5 “(1) IN GENERAL.—The amount otherwise pay-
6 able to a State for a fiscal year under chapter 2
7 shall be reduced if the level of State expenditures, as
8 described in paragraph (2), for the previous fiscal
9 year are less than the average of the total of such
10 expenditures for the 3 fiscal years preceding that
11 previous fiscal year. The amount of the reduction in
12 allotment for any fiscal year shall be in exact pro-
13 portion to the amount which the State fails to meet
14 the requirement of this subsection.

15 “(2) LEVEL OF STATE EXPENDITURES.—The
16 level of State expenditures for the purposes of para-
17 graph (1) shall include all State dollars expended by
18 the State library administrative agency for library
19 programs that are consistent with the purposes of
20 this subtitle. All funds included in the maintenance
21 of effort calculation under this subsection shall be
22 expended during the fiscal year for which the deter-
23 mination is made, and shall not include capital ex-
24 penditures, special one-time project costs, or similar
25 windfalls.

1 “(3) WAIVER.—The Director may waive the re-
2 quirements of paragraph (1) if the Director deter-
3 mines that such a waiver would be equitable due to
4 exceptional or uncontrollable circumstances such as
5 a natural disaster or a precipitous and unforeseen
6 decline in the financial resources of the State.

7 **“SEC. 224. STATE PLANS.**

8 “(a) STATE PLAN REQUIRED.—

9 “(1) IN GENERAL.—In order to be eligible to
10 receive a grant under this subtitle, a State library
11 administrative agency shall submit a State plan to
12 the Director not later than April 1, 1996.

13 “(2) DURATION.—The State plan shall cover a
14 period of 4 fiscal years.

15 “(3) REVISIONS.—If a State library administra-
16 tive agency makes a substantive revision to its State
17 plan, then the State library administrative agency
18 shall submit to the Director an amendment to the
19 State plan containing such revision not later than
20 April 1 of the fiscal year preceding the fiscal year
21 for which the amendment will be effective.

22 “(b) CONTENTS.—The State plan shall—

23 “(1) specify priorities for improvement of li-
24 brary services so that all people in the State have
25 convenient and appropriate access to information de-

1 livered by libraries through new and emerging tech-
2 nologies assisted under subchapter A of chapter 2;

3 “(2) identify those persons who need special
4 services under subchapter B of chapter 2 and specify
5 priorities for meeting the purpose described in sec-
6 tion 241(a);

7 “(3) describe how section 243 will be imple-
8 mented within the State, specify the accountability
9 and evaluation procedures to be followed by public li-
10 braries receiving funds under such section, and
11 specify whether and how funds are to be aggregated
12 under section 243(b)(2) to improve library services
13 provided to children in the State described in section
14 243(a)(2);

15 “(4) describe the activities and services for
16 which assistance is sought, including—

17 “(A) priorities for the use of funds under
18 this subtitle; and

19 “(B) a description of the types of libraries
20 and library entities that will be eligible to re-
21 ceive funds under this subtitle;

22 “(5) provide that any funds paid to the State
23 in accordance with the State plan shall be expended
24 solely for the purposes for which the funds are au-
25 thorized and appropriated and that such fiscal con-

1 trol and fund accounting procedures have been
2 adopted as may be necessary to assure proper dis-
3 bursement of, and account for, Federal funds paid
4 to the State (including any such funds paid by the
5 State to any other entity) under this subtitle;

6 “(6) provide procedures to ensure that the
7 State library administrative agency shall involve li-
8 braries and users throughout the State in policy de-
9 cisions regarding implementation of this subtitle,
10 and development of the State plan, including estab-
11 lishing the State advisory council;

12 “(7) provide satisfactory assurance that the
13 State library administrative agency—

14 “(A) will make such reports, in such form
15 and containing such information, as the Direc-
16 tor may require to carry out this subtitle and
17 to determine the extent to which funds provided
18 under this subtitle have been effective in carry-
19 ing out the purposes of this subtitle, including
20 reports on evaluations under section 251;

21 “(B) will keep such records and afford
22 such access thereto as the Director may find
23 necessary to assure the correctness and verifica-
24 tion of such reports;

1 “(C) will provide to State advisory council
2 members an orientation regarding the provi-
3 sions of this subtitle and members’ responsibil-
4 ities, including clear, easily understandable in-
5 formation about the State plan; and

6 “(D) will report annually at a meeting of
7 the State advisory council on the State library
8 administrative agency’s progress toward meet-
9 ing the goals and objectives of the State plan;

10 “(8) describe the process for assessing the
11 needs for library and information services within the
12 State, and describe the results of the most recent
13 needs assessment;

14 “(9) establish goals and objectives for achieving
15 within the State the purposes of this subtitle, includ-
16 ing the purposes in sections 212(a), 231(a), and
17 241(a); and

18 “(10) describe how the State library adminis-
19 trative agency, in consultation with the State advi-
20 sory council, will—

21 “(A) administer this subtitle; and

22 “(B) conduct evaluations under section
23 251, including a description of the types of
24 evaluation methodologies to be employed.

25 “(c) ACCOUNTABILITY.—Each State plan shall—

1 “(1) establish State-defined performance goals
2 to set forth the level of performance to be achieved
3 by an activity assisted under this subtitle;

4 “(2) express such goals in an objective, quan-
5 tifiable, and measurable form unless authorized to
6 be in an alternative form in accordance with section
7 1115(b) of title 31, United States Code;

8 “(3) briefly describe the operational processes,
9 skills and technology, and the human, capital, infor-
10 mation, or other resources, required to meet the per-
11 formance goals;

12 “(4) establish performance indicators in accord-
13 ance with subsection (d) to be used in measuring or
14 assessing the relevant outputs, service levels, and
15 outcomes, of each activity assisted under this sub-
16 title;

17 “(5) provide a basis for comparing actual pro-
18 gram results with the established performance goals;
19 and

20 “(6) describe the means to be used to verify
21 and validate measured values.

22 “(d) PERFORMANCE INDICATORS.—Performance in-
23 dicators described in subsection (c)(4) shall include—

24 “(1) evidence of progress toward the national li-
25 brary service goals under section 212(a)(3);

1 “(2) consultation with the State educational
2 agency;

3 “(3) identification of activities suitable for na-
4 tionwide replication; and

5 “(4) progress in improvement of library services
6 provided to children described in section 243(a)(2).

7 “(e) APPROVAL.—

8 “(1) IN GENERAL.—The Director shall approve
9 any State plan under this subtitle that meets the re-
10 quirements of this subtitle and provides satisfactory
11 assurances that the provisions of such plan will be
12 carried out.

13 “(2) PUBLIC AVAILABILITY.—Each State li-
14 brary administrative agency receiving a grant under
15 this subtitle shall make the State plan available to
16 the public.

17 “(3) ADMINISTRATION.—If the Director deter-
18 mines that the State plan does not meet the require-
19 ments of this section, the Director shall—

20 “(A) immediately notify the State library
21 administrative agency of such determination
22 and the reasons for such determination;

23 “(B) offer the State library administrative
24 agency the opportunity to revise its State plan;

1 “(C) provide technical assistance in order
 2 to assist the State library administrative agency
 3 to meet the requirements of this section; and

4 “(D) provide the State library administra-
 5 tive agency the opportunity for a hearing.

6 **“CHAPTER 2—LIBRARY PROGRAMS**

7 **“Subchapter A—Information Access Through**
 8 **Technology**

9 **“SEC. 231. GRANTS TO STATES FOR INFORMATION ACCESS**
 10 **THROUGH TECHNOLOGY.**

11 “(a) PURPOSE.—The purpose of this subchapter is
 12 to provide for the improvement of library services so that
 13 all people have access to information delivered by libraries
 14 through new and emerging technologies, whether the in-
 15 formation originates locally, from the State, nationally, or
 16 globally.

17 “(b) GRANTS.—

18 “(1) IN GENERAL.—The Director shall award
 19 grants under this subchapter from allotments under
 20 section 221(b) to States that have State plans ap-
 21 proved under section 224.

22 “(2) FEDERAL SHARE.—Grants awarded under
 23 paragraph (1) shall be used to pay the Federal share
 24 of the cost of activities under section 232 that are

1 described in a State plan approved under section
2 224.

3 **“SEC. 232. AUTHORIZED ACTIVITIES.**

4 “Each State that receives a grant under section
5 231(b) may use the grant funds to provide statewide serv-
6 ices and subgrants to public libraries, other types of librar-
7 ies and library consortia, or library linkages with other
8 entities, in accordance with the State plan. Such services
9 and subgrants shall involve—

10 “(1) organization, access and delivery of infor-
11 mation;

12 “(2) lifelong learning, and workforce and eco-
13 nomic development; or

14 “(3) support of technology infrastructure.

15 **“Subchapter B—Information Empowerment**
16 **Through Special Services**

17 **“SEC. 241. GRANTS TO STATES FOR INFORMATION**
18 **EMPOWERMENT THROUGH SPECIAL SERV-**
19 **ICES.**

20 “(a) PURPOSE.—The purpose of this subchapter is
21 to provide for the improvement of library and information
22 services targeted to persons of all ages and cultures who
23 have difficulty using a library and to communities which
24 are geographically disadvantaged in access to libraries,
25 who or which need special materials or services, or who

1 or which will benefit from outreach services for equity of
 2 access to library services and information technologies, in-
 3 cluding children (from birth through age 17) from families
 4 living below the income official poverty line (as defined
 5 by the Office of Management and Budget, and revised an-
 6 nually in accordance with section 673(2) of the Commu-
 7 nity Services Block Grant Act (42 U.S.C. 9902(2)) appli-
 8 cable to a family of the size involved).

9 “(b) GRANTS.—

10 “(1) IN GENERAL.—The Director shall award
 11 grants under this subchapter from allotments under
 12 section 221(b) to States that have State plans ap-
 13 proved under section 224.

14 “(2) FEDERAL SHARE.—Grants awarded under
 15 paragraph (1) shall be used to pay the Federal share
 16 of the cost of the activities under section 242 that
 17 are described in a State plan approved under section
 18 224.

19 **“SEC. 242. AUTHORIZED ACTIVITIES.**

20 “Each State that receives a grant under section
 21 241(b) may use the grant funds to provide statewide serv-
 22 ices and subgrants to public libraries, other types of librar-
 23 ies and library consortia, or library linkages with other
 24 entities, in accordance with the State plan. Such services
 25 and subgrants shall involve activities that—

1 “(1) increase literacy and lifelong learning;

2 “(2) serve persons in rural, underserved or
3 inner-city areas; or

4 “(3) support the provision of special services.

5 **“SEC. 243. SERVICES FOR CHILDREN IN POVERTY.**

6 “(a) STATE LEVEL RESERVATION.—

7 “(1) IN GENERAL.—Except as provided in sub-
8 section (c), from the total amount that each State
9 library administrative agency receives under this
10 subchapter for a fiscal year, such agency shall re-
11 serve the amount of funds determined under para-
12 graph (2) to provide assistance to public libraries in
13 the State to enable such libraries to enhance the
14 provision of special services to children described in
15 such paragraph who are served by such libraries.

16 “(2) AMOUNT.—The amount of funds a State
17 library administrative agency shall reserve under
18 paragraph (1) shall be equal to the sum of—

19 “(A) \$1.50 for every preschooler (birth
20 through age 5) in the State from a family living
21 below the income official poverty line (as de-
22 fined by the Office of Management and Budget,
23 and revised annually in accordance with section
24 673(2) of the Community Services Block Grant

1 Act (42 U.S.C. 9902(2)) applicable to a family
2 of the size involved); and

3 “(B) \$1.00 for every school-age child (ages
4 6 through 17) in the State from such a family.

5 “(b) WITHIN STATE DISTRIBUTION.—

6 “(1) IN GENERAL.—Except as provided in para-
7 graph (2), each public library in a State shall receive
8 under this section for a fiscal year an amount that
9 bears the same relation to the amount the State li-
10 brary administrative agency reserves under sub-
11 section (a) for such year as the number of children
12 described in subsection (a)(2) served by such public
13 library for the preceding fiscal year bears to the
14 number of such children served by all public libraries
15 in the State for such preceding fiscal year.

16 “(2) EXCEPTION.—

17 “(A) IN GENERAL.—If a State library ad-
18 ministrative agency determines that the amount
19 available under paragraph (1) for a fiscal year
20 for 2 or more public libraries is too small to be
21 effective, then such agency may aggregate such
22 amounts for such year.

23 “(B) REQUIREMENTS.—Each State library
24 administrative agency aggregating amounts
25 under subparagraph (A) for a fiscal year—

1 “(i) shall only aggregate the amount
2 available under paragraph (1) for a public
3 library for a fiscal year if the amount so
4 available for such year is \$3,000 or less;
5 and

6 “(ii) shall use such aggregated
7 amounts to enhance the library services
8 provided to the children described in sub-
9 section (a)(2) served by the public libraries
10 for which such agency aggregated such
11 amounts for such year.

12 “(c) ADJUSTMENTS.—

13 “(1) APPROPRIATIONS INCREASE.—For any fis-
14 cal year for which the amount appropriated to carry
15 out this subtitle is greater than the amount appro-
16 priated to carry out this subtitle for the preceding
17 fiscal year by a percentage that equals or exceeds 10
18 percent, the amount each State library administra-
19 tive agency shall reserve under subsection (a)(2) for
20 the fiscal year for which the determination is made
21 shall be increased by the same such percentage.

22 “(2) APPROPRIATIONS DECREASE.—For any
23 fiscal year for which the amount appropriated to
24 carry out this subtitle is less than the amount ap-
25 propriated to carry out this subtitle for the preced-

1 ing fiscal year by a percentage that equals or ex-
2 ceeds 10 percent, the amount each State library ad-
3 ministrative agency shall reserve under subsection
4 (a)(2) for the fiscal year for which the determination
5 is made shall be decreased by the same such per-
6 centage.

7 “(d) PLAN.—Each public library desiring assistance
8 under this section shall submit a plan for the expenditure
9 of funds under this section to the State library administra-
10 tive agency. Such plan shall include a description of how
11 the library will—

12 “(1) identify the children described in sub-
13 section (a)(2);

14 “(2) collaborate with community representatives
15 to ensure planning and implementation of appro-
16 priate, helpful library services; and

17 “(3) establish indicators of success.

18 “(e) PRIORITIES.—Priorities for the use of funds
19 under this section may include activities for children de-
20 scribed in subsection (a)(2) such as—

21 “(1) development of after-school homework sup-
22 port;

23 “(2) development of family literacy programs;

24 “(3) extension of branch hours to provide space
25 and resources for homework;

- 1 “(4) development of technological resources;
2 “(5) hiring specialized outreach staff; and
3 “(6) development of peer tutoring programs.

4 **“CHAPTER 3—ADMINISTRATIVE**
5 **PROVISIONS**

6 **“Subchapter A—State Requirements**

7 **“SEC. 251. STATE EVALUATION.**

8 “(a) IN GENERAL.—Each State receiving a grant
9 under this subtitle shall annually evaluate, in accordance
10 with subsections (b) and (c), the activities assisted under
11 subchapters A and B of chapter 2.

12 “(b) SUBCHAPTER A ACTIVITIES.—Each evaluation
13 of activities assisted under subchapter A of chapter 2 shall
14 include a description of how effective such activities are
15 in ensuring that—

16 “(1) every American will have affordable access
17 to information resources through electronic net-
18 works;

19 “(2) every public library will be connected to
20 national and international electronic networks;

21 “(3) every State library agency will promote
22 planning and provide support for full library partici-
23 pation in electronic networks;

1 “(4) every public librarian will possess the
2 knowledge and skills needed to help people obtain in-
3 formation through electronic sources; and

4 “(5) every public library will be equipped with
5 the technology needed to help people obtain informa-
6 tion in an effective and timely manner.

7 “(c) SUBCHAPTER B ACTIVITIES.—

8 “(1) IN GENERAL.—Each evaluation of activi-
9 ties assisted under subchapter B of chapter 2 shall
10 include—

11 “(A) with respect to activities to increase
12 literacy and lifelong learning—

13 “(i) an analysis of the current situa-
14 tion in the State;

15 “(ii) how such activities will meet the
16 needs of the current situation in the State
17 and the target groups to be served; and

18 “(iii) a report of the effect of such ac-
19 tivities in relation to the objectives of such
20 activities;

21 “(B) with respect to activities to serve peo-
22 ple in rural and urban areas—

23 “(i) procedures used to identify li-
24 brary users within a community;

1 “(ii) a description of needs and target
2 groups to be served;

3 “(iii) an analysis of the levels of suc-
4 cess to be targeted;

5 “(iv) a report of the effect of such ac-
6 tivities in relation to the objectives of such
7 activities; and

8 “(v) a description of the background
9 of the current level of library service to
10 people in rural and urban areas, and how
11 such activities will extend, improve and
12 further provide library resources to such
13 people;

14 “(C) with respect to activities to support
15 the provision of special services—

16 “(i) an analysis of the current situa-
17 tion in the State;

18 “(ii) how such activities will meet the
19 needs of the current situation in the State;
20 and

21 “(iii) a report of the effect of such ac-
22 tivities in relation to the objectives of such
23 activities; and

24 “(D) with respect to activities to serve chil-
25 dren under section 243—

1 “(i) an analysis of the current local
2 situations;

3 “(ii) a description of such activities,
4 including objectives and costs of such ac-
5 tivities; and

6 “(iii) a report of the effect of such ac-
7 tivities in relation to the objectives of such
8 activities.

9 “(2) INFORMATION.—Each public library re-
10 ceiving assistance under section 243 shall submit to
11 the State library administrative agency such infor-
12 mation as such agency may require to meet the re-
13 quirements of paragraph (1)(D).

14 **“SEC. 252. STATE ADVISORY COUNCILS.**

15 “(a) COUNCILS REQUIRED.—Each State desiring as-
16 sistance under this subtitle shall establish a State advisory
17 council.

18 “(b) COMPOSITION.—Each State advisory council
19 shall be broadly representative of the library entities in
20 the State, including public, school, academic, special, and
21 institutional libraries, and libraries serving individuals
22 with disabilities.

23 “(c) DUTIES.—Each State advisory council shall—

1 “(1) consult with the State library administra-
 2 tive agency regarding the development of the State
 3 plan;

4 “(2) advise the State library administrative
 5 agency on the development of, and policy matters
 6 arising in the administration of, the State plan, in-
 7 cluding mechanisms for evaluation;

8 “(3) assist the State library administrative
 9 agency in—

10 “(A) the dissemination of information re-
 11 garding activities assisted under this subtitle;
 12 and

13 “(B) the evaluation of activities assisted
 14 under this subtitle; and

15 “(4) establish bylaws to carry out such council’s
 16 duties under this subsection.

17 **“Subchapter B—Federal Requirements**

18 **“SEC. 261. SERVICES FOR INDIAN TRIBES.**

19 “(a) GRANTS AUTHORIZED.—From amounts re-
 20 served under section 221(a)(1) for any fiscal year the Di-
 21 rector shall award grants to organizations primarily serv-
 22 ing and representing Indian tribes to enable such organi-
 23 zations to carry out the authorized activities described in
 24 subsection (b).

1 “(b) AUTHORIZED ACTIVITIES.—Grant funds award-
2 ed under this section may be used for—

3 “(1) inservice or preservice training of Indians
4 as library personnel;

5 “(2) the purchase of library materials;

6 “(3) the conduct of special library programs for
7 Indians;

8 “(4) salaries of library personnel;

9 “(5) transportation to enable Indians to have
10 access to library services;

11 “(6) dissemination of information about library
12 services;

13 “(7) assessment of tribal library needs; and

14 “(8) contracts to provide public library services
15 to Indians living on or near reservations or to ac-
16 complish any activities described in paragraphs (1)
17 through (7).

18 “(c) PROHIBITION.—No funds shall be awarded pur-
19 suant to this section unless such funds will be adminis-
20 tered by a librarian.

21 “(d) DUPLICATION.—In awarding grants under this
22 section, the Director shall take such actions as may be
23 necessary to prevent the grant funds provided under this
24 section from being received by any 2 or more entities to
25 serve the same population.

1 “(e) MAINTENANCE OF EFFORT.—Each organization
2 that receives a grant under this section and supports a
3 public library system shall continue to expend from Fed-
4 eral, State, and local sources an amount not less than the
5 amount expended by such organization from such sources
6 for public library services during the second fiscal year
7 preceding the fiscal year for which the determination is
8 made.

9 “(f) CONSTRUCTION.—Nothing in this section shall
10 be construed to prohibit the dissemination of restricted
11 collections of tribal cultural materials with funds made
12 available under this section.

13 “(g) APPLICATION.—

14 “(1) IN GENERAL.—Any organization which de-
15 sires to receive a grant under this section shall sub-
16 mit an application to the Director that—

17 “(A) describes the activities and services
18 for which assistance is sought; and

19 “(B) contains such information as the Di-
20 rector may require by regulation.

21 “(2) CRITERIA.—The Director shall issue cri-
22 teria for the approval of applications under this sec-
23 tion, but such criteria shall not include—

24 “(A) an allotment formula; or

25 “(B) a matching of funds requirement.

1 **“SEC. 262. NATIONAL LEADERSHIP PROGRAM.**

2 “(a) IN GENERAL.—From the amounts reserved
3 under section 221(a)(2) for any fiscal year the Director
4 shall establish and carry out a program of national leader-
5 ship and evaluation activities to enhance the quality of li-
6 brary services nationwide. Such activities may include—

7 “(1) education and training of persons in li-
8 brary and information science, particularly in areas
9 of new technology and other critical needs, including
10 graduate fellowships, traineeships, institutes, or
11 other programs;

12 “(2) research and demonstration projects relat-
13 ed to the improvement of libraries, education in li-
14 brary and information science, enhancement of li-
15 brary services through effective and efficient use of
16 new technologies, and dissemination of information
17 derived from such projects; and

18 “(3) preservation or digitization of library ma-
19 terials and resources, giving priority to projects em-
20 phasizing coordination, avoidance of duplication, and
21 access by researchers beyond the institution or li-
22 brary entity undertaking the project.

23 “(b) GRANTS OR CONTRACTS.—

24 “(1) IN GENERAL.—The Director may carry
25 out the activities described in subsection (a) by
26 awarding grants to, or entering into contracts with,

1 library entities, agencies, or institutions of higher
2 education.

3 “(2) COMPETITIVE BASIS.—Grants and con-
4 tracts described in paragraph (1) shall be awarded
5 on a competitive basis.

6 “(c) SPECIAL RULE.—The Director shall make every
7 effort to ensure that activities assisted under this section
8 are administered by appropriate library experts.

9 **“SEC. 263. STATE AND LOCAL INITIATIVES.**

10 “Nothing in this subtitle shall be construed to inter-
11 fere with State and local initiative and responsibility in
12 the conduct of library services. The administration of li-
13 braries, the selection of personnel and library books and
14 materials, and insofar as consistent with the purposes of
15 this subtitle, the determination of the best uses of the
16 funds provided under this subtitle, shall be reserved to the
17 States and their local subdivisions.

18 **“Subtitle C—Museum Services**

19 **“SEC. 271. PURPOSE.**

20 “It is the purpose of this subtitle—

21 “(1) to encourage and assist museums in their
22 educational role, in conjunction with formal systems
23 of elementary, secondary, and postsecondary edu-
24 cation and with programs of nonformal education for
25 all age groups;

1 “(2) to assist museums in modernizing their
2 methods and facilities so that the museums may be
3 better able to conserve the cultural, historic, and sci-
4 entific heritage of the United States; and

5 “(3) to ease the financial burden borne by mu-
6 seums as a result of their increasing use by the pub-
7 lic.

8 **“SEC. 272. DEFINITIONS.**

9 “As used in this subtitle, the term ‘museum’ means
10 a public or private nonprofit agency or institution orga-
11 nized on a permanent basis for essentially educational or
12 esthetic purposes, that utilizes a professional staff, owns
13 or utilizes tangible objects, cares for the tangible objects,
14 and exhibits the tangible objects to the public on a regular
15 basis.

16 **“SEC. 273. MUSEUM SERVICES ACTIVITIES.**

17 “(a) GRANTS.—The Director, after receiving the pol-
18 icy advice of the Museum Board, may make grants to mu-
19 seums to pay for the Federal share of the cost of increas-
20 ing and improving museum services, through such activi-
21 ties as—

22 “(1) programs to enable museums to construct
23 or install displays, interpretations, and exhibitions in
24 order to improve museum services to the public;

1 “(2) assisting museums in developing and
2 maintaining professionally trained or otherwise expe-
3 rienced staff to meet their needs;

4 “(3) assisting museums in meeting their admin-
5 istrative costs in preserving and maintaining their
6 collections, exhibiting the collections to the public,
7 and providing educational programs to the public
8 through the use of the collections;

9 “(4) assisting museums in cooperating with
10 each other in developing traveling exhibitions, meet-
11 ing transportation costs, and identifying and locat-
12 ing collections available for loan;

13 “(5) assisting museums in conservation of their
14 collections; and

15 “(6) developing and carrying out specialized
16 programs for specific segments of the public, such as
17 programs for urban neighborhoods, rural areas, In-
18 dian reservations, and penal and other State institu-
19 tions.

20 “(b) CONTRACTS AND COOPERATIVE AGREE-
21 MENTS.—

22 “(1) PROJECTS TO STRENGTHEN MUSEUM
23 SERVICES.—The Director, after receiving the policy
24 advice of the Museum Board, may enter into con-
25 tracts and cooperative agreements with appropriate

1 entities to pay for the Federal share of enabling the
2 entities to undertake projects designed to strengthen
3 museum services, except that any contracts or coop-
4 erative agreements entered into pursuant to this
5 subsection shall be effective only to such extent or
6 in such amounts as are provided in appropriations
7 Acts.

8 “(2) LIMITATION ON AMOUNT.—The aggregate
9 amount of financial assistance made available under
10 this subsection for a fiscal year shall not exceed 15
11 percent of the amount appropriated under this sub-
12 title for such fiscal year.

13 “(c) FEDERAL SHARE.—

14 “(1) 50 PERCENT.—Except as provided in para-
15 graph (2), the Federal share described in sub-
16 sections (a) and (b) shall be not more than 50 per-
17 cent.

18 “(2) 100 PERCENT.—The Director may use not
19 more than 20 percent of the funds made available
20 under this section for a fiscal year to make grants
21 under subsection (a), or enter into contracts or
22 agreements under subsection (b), for which the Fed-
23 eral share may be 100 percent.

24 “(d) REVIEW AND EVALUATION.—The Director shall
25 establish procedures for reviewing and evaluating grants,

1 contracts, and cooperative agreements made or entered
2 into under this section. Procedures for reviewing grant ap-
3 plications or contracts and cooperative agreements for fi-
4 nancial assistance under this section shall not be subject
5 to any review outside of the Institute.

6 **“SEC. 274. ASSESSMENTS.**

7 “(a) IN GENERAL.—The Director, subject to the pol-
8 icy direction of the Museum Board and in consultation
9 with appropriate representatives of museums and other
10 types of community institutions, agencies, and organiza-
11 tions, shall undertake an assessment of the collaborative
12 possibilities museums can engage in to serve the public
13 more broadly and effectively.

14 “(b) CONTENTS.—The assessment shall include—

15 “(1) an investigation of opportunities to estab-
16 lish collaborative programs between museums within
17 a community, including an investigation of the role
18 that larger institutions can play as mentors to small-
19 er institutions;

20 “(2) an investigation of opportunities to estab-
21 lish collaborative programs between museums and
22 community organizations;

23 “(3) an investigation of the potential for col-
24 laboration between museums on technology issues to
25 reach a broader audience; and

1 “(4) an investigation of opportunities for muse-
2 ums to work with each other and with other commu-
3 nity resources to serve the public better and to co-
4 ordinate professional and financial development ac-
5 tivities.

6 “(c) LIMITATION.—This section shall not apply in
7 any fiscal year for which the amount appropriated under
8 section 277(a) is less than \$28,700,000.

9 **“SEC. 275. AWARD.**

10 “The Director, with the advice of the Museum Board,
11 may annually award a National Award for Museum Serv-
12 ice to outstanding museums that have made significant
13 contributions in service to their communities.

14 **“SEC. 276. NATIONAL MUSEUM SERVICES BOARD.**

15 “(a) ESTABLISHMENT.—There is established in the
16 Institute a National Museum Services Board.

17 “(b) COMPOSITION AND QUALIFICATIONS.—

18 “(1) COMPOSITION.—The Museum Board shall
19 consist of the Director and 14 members appointed
20 by the President, by and with the advice and consent
21 of the Senate, and the ex officio, nonvoting member
22 described in paragraph (4).

23 “(2) QUALIFICATIONS.—The appointive mem-
24 bers of the Museum Board shall be selected from
25 among citizens of the United States—

1 “(A) who are members of the general pub-
2 lic;

3 “(B) who are or have been affiliated
4 with—

5 “(i) resources that, collectively, are
6 broadly representative of the curatorial,
7 conservation, educational, and cultural re-
8 sources of the United States; or

9 “(ii) museums that, collectively, are
10 broadly representative of various types of
11 museums, including museums relating to
12 science, history, technology, and art, zoos,
13 and botanical gardens; and

14 “(C) who are recognized for their broad
15 knowledge, expertise, or experience in museums
16 or commitment to museums.

17 “(3) GEOGRAPHIC AND OTHER REPRESENTA-
18 TION.—Members of the Museum Board shall be ap-
19 pointed to reflect persons from various geographic
20 regions of the United States. The Museum Board
21 may not include, at any time, more than 3 members
22 from a single State. In making such appointments,
23 the President shall give due regard to equitable rep-
24 resentation of women, minorities, and persons with
25 disabilities who are involved with museums.

1 “(4) EX OFFICIO MEMBER.—The Deputy Direc-
2 tor of the Office of Museum Services shall serve as
3 an ex officio nonvoting member of the Museum
4 Board.

5 “(c) TERMS.—

6 “(1) IN GENERAL.—Each appointive member of
7 the Museum Board shall serve for a term of 5 years,
8 except that—

9 “(A) of the members first appointed, 3
10 shall serve for terms of 5 years, 3 shall serve
11 for terms of 4 years, 3 shall serve for terms of
12 3 years, 3 shall serve for terms of 2 years, and
13 2 shall serve for terms of 1 year, as designated
14 by the President at the time of nomination for
15 appointment; and

16 “(B) any member appointed to fill a va-
17 cancy shall serve for the remainder of the term
18 for which the predecessor of the member was
19 appointed.

20 “(2) REAPPOINTMENT.—No member of the
21 Museum Board who has been a member for more
22 than 7 consecutive years shall be eligible for re-
23 appointment.

24 “(3) SERVICE UNTIL SUCCESSOR TAKES OF-
25 FICE.—Notwithstanding any other provision of this

1 subsection, a member shall serve after the expiration
 2 of the term of the member until the successor to the
 3 member takes office.

4 “(d) DUTIES AND POWERS.—The Museum Board
 5 shall have the responsibility to advise the Director on gen-
 6 eral policies with respect to the duties and powers vested
 7 in the Institute relating to museum services, including
 8 general policies with respect to—

9 “(1) financial assistance awarded under this
 10 title for museum services; and

11 “(2) projects described in section 204(c)(2).

12 “(e) CHAIRPERSON.—The President shall designate
 13 1 of the appointive members of the Museum Board as
 14 Chairperson of the Museum Board.

15 “(f) MEETINGS.—

16 “(1) IN GENERAL.—The Museum Board shall
 17 meet—

18 “(A) not less than 3 times each year, in-
 19 cluding—

20 “(i) not less than 2 times each year
 21 separately; and

22 “(ii) not less than 1 time each year in
 23 a joint meeting with the Commission, con-
 24 vened for purposes of making general poli-

1 cies with respect to financial assistance for
2 projects described in section 204(c)(2); and
3 “(B) at the call of the Director.

4 “(2) VOTE.—All decisions by the Museum
5 Board with respect to the exercise of the duties and
6 powers of the Museum Board shall be made by a
7 majority vote of the members of the Museum Board
8 who are present. All decisions by the Commission
9 and the Museum Board with respect to the policies
10 described in paragraph (1)(A)(ii) shall be made by
11 a $\frac{2}{3}$ majority vote of the total number of the mem-
12 bers of the Commission and the Museum Board who
13 are present.

14 “(g) QUORUM.—A majority of the members of the
15 Museum Board shall constitute a quorum for the conduct
16 of business at official meetings of the Museum Board, but
17 a lesser number of members may hold hearings. A major-
18 ity of the members of the Commission and a majority of
19 the members of the Museum Board shall constitute a
20 quorum for the conduct of business at official joint meet-
21 ings of the Commission and the Museum Board.

22 “(h) COMPENSATION AND TRAVEL EXPENSES.—

23 “(1) COMPENSATION.—Each member of the
24 Museum Board who is not an officer or employee of
25 the Federal Government shall be compensated at a

1 rate to be fixed by the President, but not to exceed
2 the daily equivalent of the maximum rate authorized
3 for a position above grade GS-15 of the General
4 Schedule under section 5108 of title 5, United
5 States Code, for each day (including travel time)
6 during which such member is engaged in the per-
7 formance of the duties of the Museum Board. All
8 members of the Museum Board who are officers or
9 employees of the Federal Government shall serve
10 without compensation in addition to compensation
11 received for their services as officers or employees
12 of the Federal Government.

13 “(2) TRAVEL EXPENSES.—The members of the
14 Museum Board shall be allowed travel expenses, in-
15 cluding per diem in lieu of subsistence, in the same
16 amounts and to the same extent, as authorized
17 under section 5703 of title 5, United States Code,
18 for persons employed intermittently in Federal Gov-
19 ernment service.

20 “(i) COORDINATION.—The Museum Board, with the
21 advice of the Director, shall take steps to ensure that the
22 policies and activities of the Institute are coordinated with
23 other activities of the Federal Government.

1 **“SEC. 277. AUTHORIZATION OF APPROPRIATIONS.**

2 “(a) GRANTS.—For the purpose of carrying out this
3 subtitle, there are authorized to be appropriated to the Di-
4 rector \$50,000,000 for each of fiscal years 1996 through
5 2000.

6 “(b) ADMINISTRATION.—Not more than 10 percent
7 of the funds appropriated under this section for a fiscal
8 year may be used to pay for the administrative costs of
9 carrying out this subtitle.

10 “(c) JOINT PROJECTS.—Not less than 5 percent and
11 not more than 7 percent of the funds appropriated under
12 this section for a fiscal year may be made available for
13 projects described in section 204(c)(2) for the fiscal year.

14 “(d) SUMS REMAINING AVAILABLE.—Sums appro-
15 priated pursuant to subsection (a) for any fiscal year shall
16 remain available for obligation until expended.”.

17 **SEC. 202. NATIONAL COMMISSION ON LIBRARIES AND IN-**
18 **FORMATION SCIENCE.**

19 (a) FUNCTIONS.—Section 5 of the National Commis-
20 sion on Libraries and Information Science Act (20 U.S.C.
21 1504) is amended—

22 (1) by redesignating subsections (b) through (d)
23 as subsections (d) through (f), respectively; and

24 (2) by inserting after subsection (a) the follow-
25 ing:

1 “(b) The Commission shall have the responsibility to
2 advise the Director of the Institute of Museum and Li-
3 brary Services on general policies with respect to the du-
4 ties and powers vested in the Institute of Museum and
5 Library Services relating to library services, including—

6 “(1) general policies with respect to—

7 “(A) financial assistance awarded under
8 the Museum and Library Services Act for li-
9 brary services; and

10 “(B) projects described in section
11 204(c)(2) of such Act; and

12 “(2) measures to ensure that the policies and
13 activities of the Institute of Museum and Library
14 Services are coordinated with other activities of the
15 Federal Government.

16 “(c)(1) The Commission shall meet not less than 1
17 time each year in a joint meeting with the Museum Board,
18 convened for purposes of providing advice on general pol-
19 icy with respect to financial assistance for projects de-
20 scribed in section 204(c)(2) of such Act.

21 “(2) All decisions by the Commission and the Mu-
22 seum Board with respect to the advice on general policy
23 described in paragraph (1) shall be made by a $\frac{2}{3}$ majority
24 vote of the total number of the members of the Commis-
25 sion and the Museum Board who are present.

1 “(3) A majority of the members of the Commission
2 and a majority of the members of the Museum Board shall
3 constitute a quorum for the conduct of business at official
4 joint meetings of the Commission and the Museum
5 Board.”.

6 (b) MEMBERSHIP.—Section 6 of the National Com-
7 mission on Libraries and Information Science Act (20
8 U.S.C. 1505) is amended—

9 (1) in subsection (a)—

10 (A) in the first sentence, by striking “Li-
11 brarian of Congress” and inserting “Director of
12 the Institute of Museum and Library Services”;

13 (B) in the second sentence—

14 (i) by striking “Five” and inserting
15 “Six of the appointive”;

16 (ii) by striking “or interest in”; and

17 (iii) by inserting before the period the
18 following: “and at least one other of whom
19 shall be knowledgeable with respect to the
20 library and information service and science
21 needs of the elderly”;

22 (C) in the third sentence, by inserting “ap-
23 pointive” before “members”; and

1 (D) in the last sentence, by striking “term
 2 and at least” and all that follows and inserting
 3 “term.”; and

4 (2) in subsection (b), by striking “the rate spec-
 5 ified” and all that follows through “and while” and
 6 inserting “the daily equivalent of the maximum rate
 7 authorized for a position above grade GS-15 of the
 8 General Schedule under section 5108 of title 5,
 9 United States Code, for each day (including travel-
 10 time) during which the members are engaged in the
 11 business of the Commission. While”.

12 **SEC. 203. TRANSFER OF FUNCTIONS FROM INSTITUTE OF**
 13 **MUSEUM SERVICES.**

14 (a) DEFINITIONS.—For purposes of this section, un-
 15 less otherwise provided or indicated by the context—

16 (1) the term “Federal agency” has the meaning
 17 given to the term “agency” by section 551(1) of title
 18 5, United States Code;

19 (2) the term “function” means any duty, obli-
 20 gation, power, authority, responsibility, right, privi-
 21 lege, activity, or program; and

22 (3) the term “office” includes any office, ad-
 23 ministration, agency, institute, unit, organizational
 24 entity, or component thereof.

1 (b) TRANSFER OF FUNCTIONS.—There are trans-
2 ferred to the Institute of Museum and Library Services
3 established under section 203 of the Museum and Library
4 Services Act all functions that the Director of the Institute
5 of Museum Services exercised before the date of enact-
6 ment of this section (including all related functions of any
7 officer or employee of the Institute of Museum Services).

8 (c) DETERMINATIONS OF CERTAIN FUNCTIONS BY
9 THE OFFICE OF MANAGEMENT AND BUDGET.—If nec-
10 essary, the Office of Management and Budget shall make
11 any determination of the functions that are transferred
12 under subsection (b).

13 (d) DELEGATION AND ASSIGNMENT.—Except where
14 otherwise expressly prohibited by law or otherwise pro-
15 vided by this section, the Director of the Institute of Mu-
16 seum and Library Services may delegate any of the func-
17 tions transferred to the Director of the Institute of Mu-
18 seum and Library Services by this section and any func-
19 tion transferred or granted to such Director of the Insti-
20 tute of Museum and Library Services after the effective
21 date of this section to such officers and employees of the
22 Institute of Museum and Library Services as the Director
23 of the Institute of Museum and Library Services may des-
24 ignate, and may authorize successive redelegations of such
25 functions as may be necessary or appropriate. No delega-

1 tion of functions by the Director of the Institute of Mu-
2 seum and Library Services under this section or under any
3 other provision of this section shall relieve such Director
4 of the Institute of Museum and Library Services of re-
5 sponsibility for the administration of such functions.

6 (e) REORGANIZATION.—The Director of the Institute
7 of Museum and Library Services may allocate or reallocate
8 any function transferred under subsection (b) among the
9 officers of the Institute of Museum and Library Services,
10 and to establish, consolidate, alter, or discontinue such or-
11 ganizational entities in the Institute of Museum and Li-
12 brary Services as may be necessary or appropriate.

13 (f) RULES.—The Director of the Institute of Museum
14 and Library Services may prescribe, in accordance with
15 chapters 5 and 6 of title 5, United States Code, such rules
16 and regulations as the Director of the Institute of Museum
17 and Library Services determines to be necessary or appro-
18 priate to administer and manage the functions of the In-
19 stitute of Museum and Library Services.

20 (g) TRANSFER AND ALLOCATIONS OF APPROPRIA-
21 TIONS AND PERSONNEL.—Except as otherwise provided
22 in this section, the personnel employed in connection with,
23 and the assets, liabilities, contracts, property, records, and
24 unexpended balances of appropriations, authorizations, al-
25 locations, and other funds employed, used, held, arising

1 from, available to, or to be made available in connection
2 with the functions transferred by this section, subject to
3 section 1531 of title 31, United States Code, shall be
4 transferred to the Institute of Museum and Library Serv-
5 ices. Unexpended funds transferred pursuant to this sub-
6 section shall be used only for the purposes for which the
7 funds were originally authorized and appropriated.

8 (h) INCIDENTAL TRANSFERS.—The Director of the
9 Office of Management and Budget, at such time or times
10 as the Director shall provide, may make such determina-
11 tions as may be necessary with regard to the functions
12 transferred by this section, and make such additional inci-
13 dental dispositions of personnel, assets, liabilities, grants,
14 contracts, property, records, and unexpended balances of
15 appropriations, authorizations, allocations, and other
16 funds held, used, arising from, available to, or to be made
17 available in connection with such functions, as may be nec-
18 essary to carry out this section. The Director of the Office
19 of Management and Budget shall provide for the termi-
20 nation of the affairs of all entities terminated by this sec-
21 tion and for such further measures and dispositions as
22 may be necessary to effectuate the purposes of this sec-
23 tion.

24 (i) EFFECT ON PERSONNEL.—

1 (1) IN GENERAL.—Except as otherwise pro-
2 vided by this section, the transfer pursuant to this
3 section of full-time personnel (except special Govern-
4 ment employees) and part-time personnel holding
5 permanent positions shall not cause any such em-
6 ployee to be separated or reduced in grade or com-
7 pensation for 1 year after the date of transfer of
8 such employee under this section.

9 (2) EXECUTIVE SCHEDULE POSITIONS.—Except
10 as otherwise provided in this section, any person
11 who, on the day preceding the effective date of this
12 section, held a position compensated in accordance
13 with the Executive Schedule prescribed in chapter
14 53 of title 5, United States Code, and who, without
15 a break in service, is appointed in the Institute of
16 Museum and Library Services to a position having
17 duties comparable to the duties performed imme-
18 diately preceding such appointment shall continue to
19 be compensated in such new position at not less
20 than the rate provided for such previous position, for
21 the duration of the service of such person in such
22 new position.

23 (j) SAVINGS PROVISIONS.—

24 (1) CONTINUING EFFECT OF LEGAL DOCU-
25 MENTS.—All orders, determinations, rules, regula-

1 tions, permits, agreements, grants, contracts, certifi-
2 cates, licenses, registrations, privileges, and other
3 administrative actions—

4 (A) that have been issued, made, granted,
5 or allowed to become effective by the President,
6 any Federal agency or official of a Federal
7 agency, or by a court of competent jurisdiction,
8 in the performance of functions that are trans-
9 ferred under this section; and

10 (B) that were in effect before the effective
11 date of this section, or were final before the ef-
12 fective date of this section and are to become
13 effective on or after the effective date of this
14 section;

15 shall continue in effect according to their terms until
16 modified, terminated, superseded, set aside, or re-
17 voked in accordance with law by the President, the
18 Director of the Institute of Museum and Library
19 Services or other authorized official, a court of com-
20 petent jurisdiction, or by operation of law.

21 (2) PROCEEDINGS NOT AFFECTED.—This sec-
22 tion shall not affect any proceedings, including no-
23 tices of proposed rulemaking, or any application for
24 any license, permit, certificate, or financial assist-
25 ance pending before the Institute of Museum Serv-

1 ices on the effective date of this section, with respect
2 to functions transferred by this section. Such pro-
3 ceedings and applications shall be continued. Orders
4 shall be issued in such proceedings, appeals shall be
5 taken from the orders, and payments shall be made
6 pursuant to the orders, as if this section had not
7 been enacted, and orders issued in any such proceed-
8 ings shall continue in effect until modified, termi-
9 nated, superseded, or revoked by a duly authorized
10 official, by a court of competent jurisdiction, or by
11 operation of law. Nothing in this paragraph shall be
12 construed to prohibit the discontinuance or modifica-
13 tion of any such proceeding under the same terms
14 and conditions and to the same extent that such pro-
15 ceeding could have been discontinued or modified if
16 this section had not been enacted.

17 (3) SUITS NOT AFFECTED.—This section shall
18 not affect suits commenced before the effective date
19 of this section, and in all such suits, proceedings
20 shall be had, appeals taken, and judgments rendered
21 in the same manner and with the same effect as if
22 this section had not been enacted.

23 (4) NONABATEMENT OF ACTIONS.—No suit, ac-
24 tion, or other proceeding commenced by or against
25 the Institute of Museum Services, or by or against

1 any individual in the official capacity of such individ-
2 ual as an officer of the Institute of Museum Serv-
3 ices, shall abate by reason of the enactment of this
4 section.

5 (5) ADMINISTRATIVE ACTIONS RELATING TO
6 PROMULGATION OF REGULATIONS.—Any administra-
7 tive action relating to the preparation or promulga-
8 tion of a regulation by the Institute of Museum
9 Services relating to a function transferred under this
10 section may be continued by the Institute of Mu-
11 seum and Library Services with the same effect as
12 if this section had not been enacted.

13 (k) TRANSITION.—The Director of the Institute of
14 Museum and Library Services may utilize—

15 (1) the services of such officers, employees, and
16 other personnel of the Institute of Museum Services
17 with respect to functions transferred to the Institute
18 of Museum and Library Services by this section; and

19 (2) funds appropriated to such functions for
20 such period of time as may reasonably be needed to
21 facilitate the orderly implementation of this section.

22 (l) REFERENCES.—A reference in any other Federal
23 law, Executive order, rule, regulation, or delegation of au-
24 thority, or any document of or relating to—

1 (1) the Director of the Institute of Museum
2 Services with regard to functions transferred under
3 subsection (b), shall be deemed to refer to the Direc-
4 tor of the Institute of Museum and Library Services;
5 and

6 (2) the Institute of Museum Services with re-
7 gard to functions transferred under subsection (b),
8 shall be deemed to refer to the Institute of Museum
9 and Library Services.

10 (m) ADDITIONAL CONFORMING AMENDMENTS.—

11 (1) RECOMMENDED LEGISLATION.—After con-
12 sultation with the appropriate committees of Con-
13 gress and the Director of the Office of Management
14 and Budget, the Director of the Institute of Museum
15 and Library Services shall prepare and submit to
16 Congress recommended legislation containing tech-
17 nical and conforming amendments to reflect the
18 changes made by this section.

19 (2) SUBMISSION TO CONGRESS.—Not later than
20 6 months after the effective date of this section, the
21 Director of the Institute of Museum and Library
22 Services shall submit the recommended legislation
23 referred to under paragraph (1).

1 **SEC. 204. SERVICE OF INDIVIDUALS SERVING ON DATE OF**
2 **ENACTMENT.**

3 Notwithstanding section 204 of the Museum and Li-
4 brary Services Act, the individual who was appointed to
5 the position of Director of the Institute of Museum Serv-
6 ices under section 205 of the Museum Services Act (as
7 such section was in effect on the day before the date of
8 enactment of this Act) and who is serving in such position
9 on the day before the date of enactment of this Act shall
10 serve as the first Director of the Institute of Museum and
11 Library Services under section 204 of the Museum and
12 Library Services Act (as added by section 201 of this Act),
13 and shall serve at the pleasure of the President.

14 **SEC. 205. CONSIDERATION.**

15 Consistent with title 5, United States Code, in ap-
16 pointing employees of the Office of Library Services, the
17 Director of the Institute of Museum and Library Service
18 shall give strong consideration to individuals with experi-
19 ence in administering State-based library programs.

20 **SEC. 206. REPEALS AND TECHNICAL AND CONFORMING**
21 **AMENDMENTS.**

22 (a) REPEALS.—

23 (1) LIBRARY SERVICES AND CONSTRUCTION
24 ACT.—The Library Services and Construction Act
25 (20 U.S.C. 351 et seq.) is repealed.

1 (2) HIGHER EDUCATION ACT OF 1965.—Title II
2 of the Higher Education Act of 1965 (20 U.S.C.
3 1021 et seq.) is repealed.

4 (b) REFERENCES TO LIBRARY SERVICES AND CON-
5 STRUCTION ACT.—

6 (1) OMNIBUS EDUCATION RECONCILIATION ACT
7 OF 1981.—Section 528 of the Omnibus Education
8 Reconciliation Act of 1981 (20 U.S.C. 3489) is
9 amended—

10 (A) by striking paragraph (12); and

11 (B) by redesignating paragraphs (13)
12 through (15) as paragraphs (12) through (14).

13 (2) ELEMENTARY AND SECONDARY EDUCATION
14 ACT OF 1965.—Section 3113(10) of the Elementary
15 and Secondary Education Act of 1965 (20 U.S.C.
16 6813(10)) is amended by striking “section 3 of the
17 Library Services and Construction Act” and insert-
18 ing “section 213(7) of the Library Services and
19 Technology Act”.

20 (3) COMMUNITY IMPROVEMENT VOLUNTEER
21 ACT OF 1994.—Section 7305 of the Community Im-
22 provement Volunteer Act of 1994 (40 U.S.C. 276d-
23 3) is amended—

24 (A) by striking paragraph (1); and

1 (B) by redesignating paragraphs (2)
2 through (6) as paragraphs (1) through (5), re-
3 spectively.

4 (4) APPALACHIAN REGIONAL DEVELOPMENT
5 ACT OF 1965.—Section 214(c) of the Appalachian
6 Regional Development Act of 1965 (40 U.S.C. App.
7 214(c)) is amended by striking “Library Services
8 and Construction Act;”.

9 (5) DEMONSTRATION CITIES AND METROPOLI-
10 TAN DEVELOPMENT ACT OF 1966.—Section 208(2) of
11 the Demonstration Cities and Metropolitan Develop-
12 ment Act of 1966 (42 U.S.C. 3338(2)) is amended
13 by striking “title II of the Library Services and Con-
14 struction Act;”.

15 (6) PUBLIC LAW 87–688.—Subsection (c) of the
16 first section of the Act entitled “An Act to extend
17 the application of certain laws to American Samoa”,
18 approved September 25, 1962 (48 U.S.C. 1666(c))
19 is amended by striking “the Library Services Act
20 (70 Stat. 293; 20 U.S.C. 351 et seq.),”.

21 (c) REFERENCES TO INSTITUTE OF MUSEUM SERV-
22 ICES.—

23 (1) TITLE 5, UNITED STATES CODE.—Section
24 5315 of title 5, United States Code, is amended by
25 striking the following:

1 “Director of the Institute of Museum Services.”
2 and inserting the following:

3 “Director of the Institute of Museum and Li-
4 brary Services.”.

5 (2) DEPARTMENT OF EDUCATION ORGANIZA-
6 TION ACT.—Section 301 of the Department of Edu-
7 cation Organization Act (20 U.S.C. 3441) is amend-
8 ed—

9 (A) in subsection (a)—

10 (i) by striking paragraph (5); and

11 (ii) by redesignating paragraphs (6)
12 and (7) as paragraphs (5) and (6), respec-
13 tively; and

14 (B) in subsection (b)—

15 (i) by striking paragraph (4); and

16 (ii) by redesignating paragraphs (5)
17 through (7) as paragraphs (4) through (6),
18 respectively.

19 (3) ELEMENTARY AND SECONDARY EDUCATION
20 ACT OF 1965.—

21 (A) Sections 2101(b), 2205(c)(1)(D),
22 2208(d)(1)(H)(v), and 2209(b)(1)(C)(vi), and
23 subsections (d)(6) and (e)(2) of section 10401,
24 of the Elementary and Secondary Education
25 Act of 1965 (20 U.S.C. 6621(b),

1 6645(c)(1)(D), 6648(d)(1)(H)(v),
2 6649(b)(1)(C)(vi), and 8091 (d)(6) and (e)(2))
3 are amended by striking “the Institute of Mu-
4 seum Services” and inserting “the Institute of
5 Museum and Library Services”.

6 (B) Section 10412(b) of such Act (20
7 U.S.C. 8102(b)) is amended—

8 (i) in paragraph (2), by striking “the
9 Chairman of the National Endowment for
10 the Humanities, the Chairman of the Na-
11 tional Endowment for the Arts, and the
12 Director of the Institute of Museum Serv-
13 ices,” and inserting “the Chairperson of
14 the National Endowment for the Human-
15 ities, the Chairperson of the National En-
16 dowment for the Arts, and the Institute of
17 Museum and Library Services,”; and

18 (ii) in paragraph (7), by striking “the
19 Chairman of the National Endowment for
20 the Humanities, the Chairman of the Na-
21 tional Endowment for the Arts and the Di-
22 rector of the Institute of Museum Serv-
23 ices,” and inserting “the Chairperson of
24 the National Endowment for the Human-
25 ities, the Chairperson of the National En-

1 dowment for the Arts, and the Institute of
2 Museum and Library Services,”.

3 (C) Section 10414(a)(2)(B) of such Act
4 (20 U.S.C. 8104(a)(2)(B)) is amended by strik-
5 ing clause (iii) and inserting the following new
6 clause:

7 “(iii) the Institute of Museum and Li-
8 brary Services.”.

9 (d) REFERENCES TO HIGHER EDUCATION ACT OF
10 1965.—

11 (1) HIGHER EDUCATION ACT OF 1965.—Para-
12 graph (2) of section 356(b) of the Higher Education
13 Act of 1965 (20 U.S.C. 1069b(b)) is amended by
14 striking “II,”.

15 (2) HIGHER EDUCATION AMENDMENTS OF
16 1986.—Part D of title XIII of the Higher Education
17 Amendments of 1986 (20 U.S.C. 1029 note) is re-
18 pealed.

19 (e) REFERENCES TO OFFICE OF LIBRARIES AND
20 LEARNING RESOURCES.—

21 (1) EDUCATION AMENDMENTS OF 1974.—Sec-
22 tion 519 of the Education Amendments of 1974 (20
23 U.S.C. 1221i) is repealed.

24 (2) DEPARTMENT OF EDUCATION ORGANIZA-
25 TION ACT.—Section 413(b)(1) of the Department of

1 Education Organization Act (20 U.S.C. 3473(b)(1))
2 is amended—

3 (A) by striking subparagraph (H); and

4 (B) by redesignating subparagraphs (I)
5 through (M) as subparagraphs (H) through
6 (L), respectively.

7 **TITLE III—ARTS AND ARTIFACTS**
8 **INDEMNITY ACT**

9 **SEC. 301. ARTS AND ARTIFACTS.**

10 The Arts and Artifacts Indemnity Act (20 U.S.C. 971
11 et seq.) is amended to read as follows:

12 **“SECTION 1. SHORT TITLE.**

13 “This Act may be cited as the ‘Arts and Artifacts
14 Indemnity Act’.

15 **“SEC. 2. INDEMNITY FOR EXHIBITIONS OF ARTS AND ARTI-**
16 **FACTS.**

17 “The Chairperson of the National Endowment for the
18 Arts (referred to in this title as the ‘Chairperson’) may
19 enter into agreements to indemnify against loss or damage
20 such items as may be eligible for such indemnity agree-
21 ments under section 3—

22 “(1) in accordance with the provisions of this
23 Act; and

24 “(2) on such terms and conditions as the Chair-
25 person shall prescribe, by regulation, in order to

1 achieve the objectives of this Act and, consistent
2 with such objectives, to protect the financial interest
3 of the United States.

4 **“SEC. 3. ELIGIBLE ITEMS.**

5 “(a) TYPES OF ITEMS.—The Chairperson may enter
6 into an indemnity agreement under section 2 with respect
7 to items—

8 “(1) that are—

9 “(A) works of art, including tapestries,
10 paintings, sculpture, folk art, and graphics and
11 craft arts;

12 “(B) manuscripts, rare documents, books,
13 or other printed or published materials;

14 “(C) other artifacts or objects; or

15 “(D) photographs, motion pictures, or
16 audio and video tape;

17 “(2) that are of educational, cultural, historical,
18 or scientific value; and

19 “(3) the exhibition of which is certified by the
20 Secretary of State, the designee of the Secretary, or
21 the Director of the Institute for Museum and Li-
22 brary Services, as being in the national interest.

23 “(b) ITEMS ON EXHIBITION.—

24 “(1) SCOPE.—An indemnity agreement made
25 under this Act shall cover eligible items while on ex-

1 hibition, generally when the items are part of an ex-
2 change of exhibitions. An item described in sub-
3 section (a) that is part of an exhibition that origi-
4 nates either in the United States or outside the
5 United States and that is touring the United States
6 shall be considered to be an eligible item.

7 “(2) DEFINITION.—For purposes of this sub-
8 section, the term ‘on exhibition’ includes the period
9 of time beginning on the date the eligible items leave
10 the premises of the lender or place designated by the
11 lender and ending on the date such items are re-
12 turned to the premises of the lender or place des-
13 ignated by the lender.

14 **“SEC. 4. APPLICATIONS.**

15 “(a) IN GENERAL.—Any person, nonprofit agency,
16 institution, or government desiring to enter into an indem-
17 nity agreement for eligible items under this Act shall sub-
18 mit an application to the Chairperson at such time, in
19 such manner and in accordance with such procedures, as
20 the Chairperson shall, by regulation, prescribe.

21 “(b) CONTENTS.—An application submitted under
22 subsection (a) shall—

23 “(1) describe each item to be covered by the
24 agreement (including an estimated value of such
25 item);

1 “(2) show evidence that the item is an item de-
2 scribed in section 3(a); and

3 “(3) set forth policies, procedures, techniques,
4 and methods with respect to preparation for, and
5 conduct of, exhibition of the item, and any transpor-
6 tation related to such item.

7 “(c) APPROVAL.—On receipt of an application under
8 this section, the Chairperson shall review the application
9 as described in section 5 and, if the Chairperson agrees
10 with the estimated value described in the application and
11 if such application conforms with the requirements of this
12 Act, approve the application and enter into an indemnity
13 agreement with the applicant under section 2. On such
14 approval, the agreement shall constitute a contract be-
15 tween the Chairperson and the applicant pledging the full
16 faith and credit of the United States to pay any amount
17 for which the Chairperson becomes liable under such
18 agreement. The Chairperson, for such purpose, is author-
19 ized to pledge the full faith and credit of the United
20 States.

21 **“SEC. 5. INDEMNITY AGREEMENT.**

22 “(a) REVIEW.—On receipt of an application meeting
23 the requirements of subsections (a) and (b) of section 4,
24 the Chairperson shall review the estimated value of the

1 items for which coverage by an indemnity agreement is
2 sought.

3 “(b) AGGREGATE AMOUNT OF LOSS OR DAMAGE.—
4 The aggregate amount of loss or damage covered by in-
5 demnity agreements made under this Act shall not exceed
6 \$3,000,000,000, at any one time.

7 “(c) INDIVIDUAL AMOUNT OF LOSS OR DAMAGE.—
8 No indemnity agreement for a single exhibition shall cover
9 loss or damage in excess of \$300,000,000.

10 “(d) EXTENT OF COVERAGE.—If the estimated value
11 of the items covered by an indemnity agreement for a sin-
12 gle exhibition is—

13 “(1) \$2,000,000 or less, coverage under this
14 Act shall extend only to loss or damage in excess of
15 the first \$15,000 of loss or damage to the items cov-
16 ered;

17 “(2) more than \$2,000,000 but less than
18 \$10,000,000, coverage under this Act shall extend
19 only to loss or damage in excess of the first \$25,000
20 of loss or damage to the items covered;

21 “(3) not less than \$10,000,000 but less than
22 \$125,000,000, coverage under this Act shall extend
23 to loss or damage in excess of the first \$50,000 of
24 loss or damage to the items covered;

1 “(4) not less than \$125,000,000 but less than
2 \$200,000,000, coverage under this Act shall extend
3 to loss or damage in excess of the first \$100,000 of
4 loss or damage to the items covered; or

5 “(5) not less than \$200,000,000, coverage
6 under this Act shall extend only to loss or damage
7 in excess of the first \$200,000 of loss or damage to
8 the items covered.

9 **“SEC. 6. REGULATIONS AND CERTIFICATION.**

10 “(a) REGULATIONS.—The Chairperson shall pre-
11 scribe regulations providing for prompt adjustment of
12 valid claims for loss or damage to items that are covered
13 by an agreement entered into pursuant to section 2, in-
14 cluding provision for arbitration of issues relating to the
15 dollar value of damages involving less than total loss or
16 destruction of such covered items.

17 “(b) CERTIFICATION.—In the case of a claim of loss
18 or damage with respect to an item that is covered by an
19 agreement entered into pursuant to section 2, the Chair-
20 person shall certify the validity of the claim and the
21 amount of the loss to the Speaker of the House of Rep-
22 resentatives and the President pro tempore of the Senate.

23 **“SEC. 7. COORDINATION ACTIVITIES.**

24 “The Chairperson shall—

1 “(1) advise and consult with the Chairperson of
2 the National Endowment for the Humanities on
3 major problems arising in carrying out the purpose
4 of the Foundation;

5 “(2) advise and consult with the National Mu-
6 seum Services Board and with the Director of the
7 Institute of Museum and Library Services on major
8 problems arising in carrying out the purpose of the
9 Museum Services Act;

10 “(3) coordinate, by advice and consultation, so
11 far as is practicable, the policies and operations of
12 the National Endowment for the Arts, the National
13 Endowment for the Humanities, and the Institute of
14 Museum and Library Services, including joint sup-
15 port of activities, as appropriate;

16 “(4) promote coordination between the pro-
17 grams and activities of the Foundation and related
18 programs and activities of other Federal agencies;

19 “(5) plan and coordinate appropriate participa-
20 tion (including productions and projects) in major
21 and historic national events; and

22 “(6) encourage an ongoing dialogue in support
23 of the arts and the humanities among Federal agen-
24 cies.

1 **“SEC. 8. REPORT.**

2 “The Chairperson shall prepare, and submit at the
 3 end of each fiscal year to the appropriate committees of
 4 Congress, a report containing information on—

5 “(1) all claims paid pursuant to this Act during
 6 such year;

7 “(2) pending claims against the Chairperson
 8 under this Act as of the end of such year; and

9 “(3) the aggregate face value of contracts en-
 10 tered into by the Chairperson that are outstanding
 11 at the end of such year.

12 **“SEC. 9. AUTHORIZATION OF APPROPRIATIONS.**

13 “There are authorized to be appropriated such sums
 14 as may be necessary—

15 “(1) to enable the Chairperson to carry out the
 16 functions of the Chairperson under this Act; and

17 “(2) to pay claims certified pursuant to section
 18 6(b).”.



S 856 IS—2

S 856 IS—3

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S 856 IS—12

S 856 IS—13